University of Alberta

Structural Realism and Sino-US Relations: The Case for a Containment "By Stealth" Strategy

by

Thomas-Gaston Adams ©

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"Seducing the other's military without battle is the most skillful"
-Sun Tzu's "The Art of War"

For Mum and Dad

Abstract

Structural realism posits that America's unchallenged power will one day come to be balanced by a state or group of states. This will have the effect of limiting America's room for maneuver in the world and limit the amount of global goods that it provides. Many contend that China is the most likely state that will come to balance American power in the future. This thesis, therefore, examines what America should do so as to preclude China from ever balancing American power. Engagement alone will not preclude the rise of China and its ability to challenge America. Managing cross-Strait relations and Korean peninsular affairs in such a way that precludes Taiwan from being reincorporated with the Mainland and ensuring that the North Korean conventional military threat endures so that US forces remain deployed in Northeast Asia are essential to containing China by stealth and precluding its rise.

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Acronyms

9/11- September 11 2001
APEC- Asia-Pacific Economic Cooperation
ASEAN- Association of Southeast Asian Nations
ARF- ASEAN Regional Forum
ASW- anti-submarine warfare
BMD- ballistic missile defense
C3- command, control, and communications
CEO- chief executive officer
CCP- Chinese Communist Party
DMZ- demilitarized zone
DPRK- Democratic People's Republic of Korea
FDI- foreign direct investment
GDP- gross domestic product
HEU- highly enriched uranium
IAEA- International Atomic Energy Agency
IMF- International Monetary Fund
KEDO- Korean Peninsula Development Organization
LWR- light water reactor
MIRV- multiple independently targetable reentry vehicle
MNC- multinational corporation
MFN- most favored nation
MRBM- medium range ballistic missile
MW- megawatt
NPT- Nuclear Non-Proliferation Treaty
PNRT- permanent normal trading relations
PLA- People's Liberation Army
PLAN- People's Liberation Army Navy
PRC- People's Republic of China
ROC- Republic of China
ROK- Republic of Korea
SDF- Self-Defense Forces
SRBM- short range ballistic missile
SSBN- submarine ballistic nuclear
SSN- submarine nuclear
TRA- Taiwan Relations Act
UN- United Nations
UNSC- United Nations Security Council
WMD- weapons of mass destruction
WTO- World Trade Organization

Introduction

This thesis discusses Sino-US relations in the post-Cold War world. Prior to 11 September 2001 (9/11), the Bush administration viewed the People's Republic of China (PRC) as America's long-term strategic threat[1]. In the aftermath of 9/11, the Bush Administration's primary foreign policy focus has been fighting the war on terrorism and curbing the spread of weapons of mass destruction (WMD). Since then, many contend that Sino-US relations have never been better[2]. However, considering China's ever-growing economic and military power, many have made the argument that the Middle Kingdom is surging towards great power status[3]. While the US is currently the unrivalled superpower, China's growing power may one day allow it to challenge America which in turn may present serious challenges for US foreign policy[4]. This suggestion begs the following questions which this thesis endeavors to answer:

- What might Sino-US relations be like if China eventually joins the great power club?

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[1] During George W. Bush's 2000 presidential campaign, future National Security Advisor and Secretary of State Condoleezza wrote "China is a great power with unresolved vital interests, particularly concerning Taiwan and the South China Sea. China resents the role of the United States in the Asia-Pacific region. This means that China is not a "status quo" power but one that would like to alter Asia's balance of power in its own favor. That alone makes it a strategic competitor..." Condoleezza Rice, "Promoting the National Interest," *Foreign Affairs* 79, no. 1 (2000): 56.

[2] See, for instance, David M. Lampton, "The Stealth Normalization of U.S.-China Relations," *The National Interest* 73, no. 3 (2003); Denny Roy, "China's Reaction to American Predominance," *Survival* 45, no. 3 (2003): 57, 68-69; Adam Ward, "China and America: Trouble Ahead?" *Survival* 45, no. 3 (2003): 35-36.

[3] Robert J. Art, *A Grand Strategy for America* (Ithaca: Cornell University Press, 2003; Zbigniew Brzezinski and John J. Mearsheimer, "Clash of the Titans," *Foreign Policy* 146, no. 1 (2005).

[4] For instance, in 2000, soon-to-be Deputy Secretary of Defense Paul Wolfowitz wrote "if China manages to continue anything like the high economic growth rates that it has sustained now for two decades, managing its emergence as a major power in East Asia and the world is likely to be the biggest challenge to maintaining a peaceful world through the first part of this century." Paul Wolfowitz, "Statesmanship in the New Century," in *Present Dangers: Crisis and Opportunity in American Foreign and Defense Policy*, eds. Robert Kagan and William Kristol (San Francisco: Encounter Books, 2000): 324.

- How would a China that is equal or nearly equal in power to America compromise US interests?
- How would a China that is equal or nearly equal in power to America affect the quality of international relations?
- What should America do about this?

In this thesis, I make a two-part argument, the second argument being derived from the first. Firstly, I argue that, because a rising China has the potential to bring an end to America's current unrivalled global preeminence, structural realist theory is the best theoretical framework with which to assess this potential long-term strategic threat to the US. Many scholars have made the argument that structural realist theory has lost its use in both academic and foreign policy making circles[5]. This claim is made because of the collapse of the Soviet Union and America subsequently being the sole superpower, the lack of any formation of a balance of power, the proliferation of non-state actors, and the growing interdependence between states due to globalization. This thesis endeavors to challenge such assertions by demonstrating the continued desirability of a structural realist approach in analyzing great power relations. I do not deny the usefulness of other international theoretical approaches in discussing American foreign policy in general and Sino-US relations in particular, nor do I make the assertion that structural realism is without fault. I do, however, develop the argument that, in terms of analyzing the current and potential future international political structure, great power relations, and potential strategic threat assessments, structural realist theory is the best way for scholars and policy makers alike to both analyze the potential consequences of China's rise as well as to derive prescriptions for America to follow in order to deal with an ever-growing China.

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[5] For a critique of structural realism, see Richard K. Ashley, "The Poverty of Neorealism," *International Organization* 38, no. 2 (1984).

My second argument is prescriptive and is derived from what structural realist theory tells us about what the consequences of China's rise may be for America and the international system as a whole. I argue that, in order to prevent China from becoming so powerful that it can check and balance America's current unrivalled global preeminence, it will be necessary for the US to contain China. I make this argument, however, with an important qualification. There are varying forms of containment that can be applied to China, ranging from economic strategies meant to seriously compromise China's growing economic power to all out preventative war. Structural realist theory does not necessarily lead us to conclude that America needs to implement either of these or other potential containment strategies in order to maintain its unrivalled global supremacy. I argue for a more benign form of containment that does not disavow continued economic engagement. The US tacitly supports Taiwan by ensuring that it does not become incorporated into mainland China by force. America also currently has approximately 100,000 troops and other military assets deployed in South Korea and Japan in order to counter the conventional and non-conventional military threat posed by North Korea. Thus, I argue that America already has the key components in place in China's backyard to contain the Middle Kingdom and prevent it from ever challenging America both in Northeast Asia and indeed the world stage as a whole. The lessons of structural realist theory suggest that America needs to work towards ensuring that the strategic balance that now exists in Northeast Asia is allowed to endure so as to continue providing the US with the means to contain China "by stealth"[6]. This will in effect give America the ability to *de facto* contain China without necessarily turning it into an enemy and potentially leading to war which a strategy of, say, outright economic containment might do. Managing cross-Strait relations and affairs on the Korean peninsula in such a way that ensures that Taiwan does not become reincorporated with mainland China and allows US forces to remain deployed in the region are the necessary prerequisites to successfully implementing a strategy of containment by stealth.

Order of Procedures

This thesis is divided into six chapters and proceeds as follows. In Chapter 1, I examine contending theories of international politics and how useful or useless they are in explaining Sino-US relations. I make the argument that structural realist theory is the best theoretical approach in analyzing Sino-US strategic relations and the potential consequences of China's growing power. As a result of this conclusion, I use structural realism throughout this thesis as the lens through which I analyze and make predictions about Sino-US relations and prescriptions for America to follow in order to cope with and/or preclude the predictions that are made.

In Chapter 2, I discuss China's rise and potential surge towards great power status. I demonstrate how, based on China's internal and external balancing behavior, the Middle Kingdom is the most likely candidate to come to rival America both economically and militarily in the future. I then discuss the potential structural effects this will have both on America's external behavior and the quality of international relations, as well as the challenges that US policy makers face in crafting a China policy meant to deal with China's rise.

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[6] I adopt this term from Yu Bin's article, "Containment by Stealth: Chinese Views of and Policies toward America's Alliances with Japan and Korea after the Cold War," *Asia-Pacific Research Center*, September 1999 <http://iis-db.stanford.edu/pubs/10029/ YuBin_final_PM.pdf> (6 July 2005). Henceforth, I use the terms "containment by stealth", "benign containment", and "covert containment" interchangeably.

Using the conclusion reached in Chapter 2, I examine two strategic courses that America can follow in order to deal with China's rise in Chapter 3. The first course is engagement, a policy implemented by President Clinton and followed by President Bush. I make the argument that a policy of engagement does not square with the assumptions and expectations of structural realist theory and for this reason, such a policy is a misguided one for America to follow solely to deal with China's rise. Rather, America should expect China to come to challenge America's current unrivalled preeminence. Knowing this, the US should preclude China from becoming powerful enough economically and militarily to pose such a challenge through the second course of action, a policy of containment. However, depending on the form of containment America chooses to implement, there is a risk of turning China into an enemy and increasing the likelihood of a Sino-US conflict, the potential consequences of which could be counterproductive to US interests. I argue that, because the US ensures the *de facto* independence of Taiwan and already has approximately 100,000 troops already deployed in both South Korea and Japan, America has the ability to contain China by stealth which can avoid turning China into an enemy and preclude a Sino-US conflict. America can continue to engage China and reap the benefits therefrom while simultaneously containing it by stealth.

In chapters 4 and 5, I discuss the situations of Taiwan and the Korean peninsula respectively and how those situations relate to Sino-US relations. With regards to Taiwan, I discuss the precarious cross-Strait strategic balance and how the island plays a significant role in Sino-US relations. Despite Taiwan's ultimate objective of gaining *de jure* independence and China's ultimate objective of reincorporating the Island with the Mainland, maintaining the status quo is another way in which America is able to contain China by stealth without turning the Middle Kingdom into an enemy of the US.

In the case of the Korean peninsula, the conventional and non-conventional threat posed by North Korea is the primary reason for which approximately 100,000 US troops are forward deployed in both South Korea and Japan. As much as Washington wishes to see an end to Pyongyang's WMD programs, America has a great interest in seeing the persistence of the North Korean conventional military threat as it serves as the justification for US troops being deployed in the region, an essential component to any containment strategy.

Despite the relative desirability of the threat that China poses to Taiwan as well as the North Korean threat to South Korea and Japan in terms of being able to contain the Middle Kingdom by stealth, the stability that exists across the Taiwan Strait and on the Korean peninsula is precarious at best. Thus, in chapter 6, I provide specific policy prescriptions for America to follow in order to manage relations in these areas so as to maintain its interests there in the context of containing China by stealth. In short, I argue that maintaining the cross-Strait status quo and implementing a more robust engagement policy with Pyongyang that endeavors to bring an end to its WMD programs whilst ensuring that the conventional military threat across the demilitarized zone (DMZ) remains is essential to a benign containment of China strategy.

Chapter 1

Contending Theoretical Explanations of Sino-US Relations

There are two views that dominate the China-US relations debate. On the one side of the debate, it is claimed that China is inherently a revisionist power seeking to disrupt the status quo by replacing America with itself as the regional, if not global, hegemon. On the other side of the debate, it is claimed that in the world of globalization, interdependence between America and China - whether economic, social, or whatever - is tight and the presence of nuclear weapons in both countries make war between the two powers a feckless option. For these reasons, peaceful relations between America and the Middle Kingdom lie ahead and conflict is avoidable.

This chapter provides overviews of the theories of structural realism and complex interdependence. While there are many theoretical frameworks that can be used to explain Sino-US relations, structural realism and complex interdependence have served as the basis for the above two views regarding Sino-US relations, respectively. Theory is essential in making sense out of the millions of seemingly chaotic and unrelated events that occur around us on a daily basis. A particular theoretical framework provides one with a specific lens through which to view the world and to perceive past and current events. It also provides one with certain expectations about future events. As a result, theory can also provide us with a basis upon which to critique certain state policies and put forth prescriptions that are in line with the assumptions and expectations of the theory, tasks reserved for the chapters that follow[7].

Part I: Structural Realist Theory

International Anarchy

Structural realism focuses on the causal effects that the anarchic international system has on state behavior, with states being the primary unit of analysis[8]. Because no autonomous and sovereign entity exists above states that defines and enforces the rules of the international relations game, the international system is anarchic. Because no world government exists that can protect states from external threats, structural realism assumes that a state's primary goal is to ensure its own survival in this anarchic environment. States may have other goals, but survival is their first and foremost objective[9].

Because all states share this common objective and are all more or less equally affected by the persistent condition of international anarchy, structural realism does not look at the internal national characteristics of states. Rather, it sees states in the international system as "like units" that are "functionally similar", with a state's domestic political characteristics playing no role in its external behavior[10]. The external behavior of all states, whether democratic or authoritarian, European or Asian, Christian or Muslim, is conditioned by the requirement to survive. States are distinguished, however, by their lesser or greater ability to ensure their survival based on the distribution of power capabilities across the international system[11].

---

[7] My views regarding the use of theory in the social sciences are largely derived from Carl Hempel, *Philosophy of Natural Science* (New Jersey: Prentice Hall, 1966).

[8] As Kenneth N. Waltz states, "States set the scene in which they, along with nonstate actors, stage their dramas or carry on their humdrum affairs. Though they may choose to interfere little in the affairs of nonstate actors for long periods of time, states nevertheless set the terms of the intercourse, whether by passively permitting informal rules to develop or by actively intervening to change rules that no longer suit them. When the crunch comes, states remake the rules by which other actors operate." Kenneth N. Waltz, *Theory of International Politics* (Boston: McGraw-Hill Inc., 1979), 94. See also Art, 157-158.

[9] Waltz, *Theory*, 91-92.

The Quest for Power

International anarchy causes states to seek power, for power is the sole means by which they can ensure their survival in the condition of anarchy[12]. There are many sources of power, such as economic wealth, natural resources, land mass, population size, etc[13]. The most important source of power in world politics, however, is military power. While wealth, for instance, is important in that it serves as the means by which a state can acquire more military power, armed forces are the primary means by which states can ensure their own survival in the face of potential external threats and achieve other foreign policy objectives over and beyond the basic survival requirement. Military power allows a state to enforce its will through war and conquest on another state in order to ensure its own survival, gain more power, or achieve any other objective that war allows it to achieve, or defend against another state's similar efforts. Military power also allows a state to blackmail other states by threatening to use armed force in order to gain more power. Finally, military power can allow a state to deter other states from attacking by making the costs of doing so appear to far exceed the benefits that may be reaped[14].

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[10] Ibid., 96.
[11] Ibid., 97.
[12] John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton & Company, 2001), chap. 2.
[13] See Ibid., chaps. 3 and 4 for a thorough discussion of the sources of state power and especially military power.

In global politics, states endeavor to acquire power at the expense of others because only relative, and not absolute, increments of power will make a state feel safer vis-à-vis its competitors. Thus, the quest for power as a means to ensure survival and achieve other foreign policy objectives is a zero-sum game. The acquisition of more power by one state necessarily comes at the expense of that state's competitors. This is so because the acquisition of power not only makes the state that acquires it safer, but it also gives it the means to threaten others[15].

The Security Dilemma[16]

Unfortunately, this quest for power among states inevitably leads to a phenomenon known as the "security dilemma". Because every state uses military power to ensure its own survival, because a state's intentions can never be fully known, and because at least some of a state's military assets can allow it to attack others in addition to merely defending, the means by which ones state ensures its own survival is the way in which other states come to feel threatened and fear for their own survival. State A, for instance, may arm itself in order to ensure its own survival in the face of potential external threats, whether real or perceived. State B, however, cannot be certain that State A's intentions are wholly benign, that it merely wishes to defend itself, and that it will not use its military capabilities for offensive purposes against State B. Because no world government exists to ensure State B's survival in the face of the potential threat posed by State A, State B has to assume that State A might attack it, if only because it has the ability to do so. To assume that State A's intentions are wholly benign is much too risky when one considers the ultimate price it may pay for wishful thinking: an armed attack or even conquest and state extinction. It is therefore much more prudent for State B to assume that State A has hostile intentions and to act accordingly by arming itself. State A, however, also does not know if State B's intentions are benign or hostile, as State B's means of defending itself can also be used to attack State A. This often increases mutual fear and suspicion among the two security competitors and may even lead to war. Both realize that they would both be better off if neither of them armed themselves. Neither can be sure, however, that the other will comply by disarming and not threaten its survival. Thus, it is much more prudent for both states to arm themselves even though both are less secure than if they both disarmed[17].

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[14] For a brief yet insightful overview of the uses of military power, see Art, 4-6.

[15] Mearsheimer, 34-36.

[16] For definitive discussions of the "security dilemma", see: John H. Herz "Idealist Internationalism and the Security Dilemma," in *World Politics* 2, no. 1 (1950); and Robert Jervis "Cooperation Under the Security Dilemma," in *World Politics* 30, no. 2 (1978).

Unfortunately, as long as international anarchy persists, the security dilemma cannot be eliminated[18]. The best way in which states can cope with the security dilemma is to acquire as much power as they can, with hegemony being their ultimate objective[19]. This is so because acquiring power at the expense of potential security competitors and achieving hegemony is the best means by which to ensure their survival[20]. Once a state has achieved hegemony, it becomes a status quo state. Actions must be undertaken in order to maintain the status quo however, as others will seek to revise the status quo by endeavouring to become hegemons themselves.

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[17] This line of thinking is largely grounded in 'game theory'. For an overview of game theory in the context of international politics, see P. Terrence Hopmann, *The Negotiation Process and the Resolution of International Conflicts* (Columbia: University of South Carolina Press, 1996), 37-52.

[18] Jervis argues in "Cooperation," that there are two variables that serve to either ameliorate or aggravate the security dilemma. They are: 1) whether the offense or the defense has the advantage; and 2) whether an offensive posture is distinguishable from a defensive one.

[19] On page 40 of *The Tragedy*, Mearsheimer defines a hegemon as "a state that is so powerful that it dominates all the other states in the system. No other state has the military wherewithal to put up a serious fight against it. In essence, a hegemon is the only great power in the system".

The Balance of Power[21]

States tend to balance against the power of other states on the global stage and in so doing they prevent any one power from dominating the system[22]. There are two primary means of balancing, internal and external balancing[23]. Internal balancing refers to the mobilization of a state's resources in an attempt to increase its power vis-à-vis other states in the system, with a particular emphasis on economic growth and qualitative and/or quantitative improvements to one's armed forces[24]. External balancing, on the other hand, refers to the forging of alliances with other states in the international system such that the combined power of that alliance is sufficient to balance the power of the dominant state or states or to weaken an opposing alliance.

As international anarchy is a persistent condition, we can always expect states to attempt to acquire power. Different structures, themselves based on the distribution of capabilities across units, can lead to different expectations in state behaviour[25]. That is, the particular balance of power configuration among the great powers in the international system can have an effect on the ways in which they act towards one another as well as the overall way in which global affairs take place. In a multipolar structured international system where the distribution of capabilities is more or less evenly distributed among three or more great powers, the great powers have more potential great power threats to consider[26]. They also have less room for manoeuvre as their actions will be checked by the internal and external balancing behaviour of great power rivals. Attempts by one great power to achieve hegemony can be blunted by the combined power of an opposing coalition, either by deterring the potential hegemon through threat of armed resistance or through war should deterrence fail. Additionally, there is a relatively low likelihood that global problems will be solved and that global goods and services will be provided and performed. As everyone wants to free-ride off the efforts of others in providing global goods and services, nothing gets accomplished[27].

---

[20] On page 35 of *The Tragedy*, Mearsheimer states that "Given the difficulty of determining how much power is enough for today and tomorrow, great powers recognize that the best way to ensure their security is to achieve hegemony now, thus eliminating any possibility of challenge by another great power...states are almost always better off with more rather than less power".

[21] For a thorough discussion of balance of power theory from a structural realist perspective, see Waltz *Theory* chap. 6, as well as Mearsheimer, 156-157.

[22] Stephen M. Walt argues that power alone, the focus of most 'balance of power' theories, is not the only reason for which states tend to balance against each other. "Their conduct," Walt states, "is determined by the threat they perceive and the power of others is merely one element in their calculations (albeit an important one)", Stephen M. Walt, *The Origins of Alliances* (London: Cornell University Press, 1987), viii.

[23] Waltz, *Theory*, 118.

[24] These characteristics do not refer to domestic political characteristics such as type of government or level of government. Rather, they refer to the distribution of capabilities across the international system.

In a bipolar system, the distribution of capabilities is evenly allocated among two great powers. There is greater certainty as to whom the opponent is than in a multipolar system. The range of action of one pole is constrained by the internal and external balancing behaviour of the other pole[28]. Because the enemy is certain and because it is known that the opponent will blunt the other's attempt at achieving hegemony, there is less chance that either side will attempt an outright bid for hegemony. For this reason, there is a lesser likelihood of great power war in a bipolar system than in a multipolar one[29]. There is, however, a greater likelihood than in a multipolar structure that global goods and services will be provided by the two major powers as they have a greater interest at stake in the international system[30]. As they want to maintain, if not ameliorate, their position vis-à-vis the other power, they will perform global tasks, at least in their own spheres, to that end. Lesser powers will free-ride, to be sure. But this does not serve as a disincentive to the great powers to perform these tasks. Only they can perform them and only they have the greatest interest in doing so[31].

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[25] For a thorough discussion as to how different international political structures lead to different expectations of state behavior, see Waltz, *Theory*, chaps. 7,8,9.
[26] Ibid., 170.
[27] Ibid., chap. 9.
[28] Waltz notes that internal balancing is more important than external balancing in a bipolar system. This is so because any addition to either of the superpower's coalitions will be negligible due to the huge power disparity between the superpower and their potential allies. In order to maintain a stable balance, then, the two great powers must focus on internal balancing.

The structure of the international system since the end of the Cold War has been a unipolar/hegemonic one with the distribution of capabilities being greatly lopsided in favour of one great power. America is the sole superpower and far surpasses its next closest competitors in almost all respects[32]. As a result, it has a much greater range of action as no one else can check it as might otherwise happen in a multipolar or bipolar system and because it has an incredible capacity to act on the global stage.

The structure of this international system has effects on the sole superpower, or hegemon, as well as lesser powers. Because America has achieved a position of hegemony, it will act to maintain the status quo and prevent attempts by lesser states to internally and/or externally balance against it and achieve hegemony themselves[33]. It will also endeavour to maintain its hegemonic status by ensuring the smooth functioning of all aspects of the international system, as well as providing incentives to those that participate in it, while punishing those that do not[34].

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[29] Of course, there has only been one bipolar system in history, and both superpowers had second-strike nuclear forces with which to ensure mutual deterrence. It is thus impossible to definitively ascertain whether the war preventing variable was the bipolar structure itself, the presence of second-strike nuclear forces, or something else.

[30] Waltz, *Theory*, chap. 9.

[31] Waltz, *Theory*, chap. 9.

[32] Stephen M. Walt, "Keeping the World "Off Balance": Self-Restraint and U.S. Foreign Policy," in *America Unrivalled: The Future of the Balance of Power*, ed. G. John Ikenberry (Ithaca: Cornell University Press, 2002), 122.

In this respect, a unipolar/hegemonic structure could be considered the most desirable structure insofar as global goods and services being provided are concerned[35]. The hegemon is the only player in the international system with the means and the will to provide these goods and services as they will benefit itself. In most cases, they will also benefit others as well. America has the incentive to provide these goods and services because no one else has the means as does the US to provide them. Thus, in providing global goods and services, America maintains the status quo which in turn is self-reinforcing as other states see a benefit in having a hegemon[36]. A hegemonic/unipolar system is also most desirable because the hegemon defines and enforces the rules and norms of international state behaviour, if only to benefit itself[37]. As such, a unipolar/hegemonic system could be considered the best hope for having a global government or global policeman and lessening the effects of international anarchy by bringing relative order and stability to the system[38]. It is for this reason the current unipolar/hegemonic system could be seen as the most desirable and the one that America must do whatever is necessary to maintain, both for its own naked self-interest and for the good of the international system[39].

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[33] Mearsheimer, 41-42.

[34] Patrick Callahan, *Logics of American Foreign Policy: Theories of America's World Role* (New York: Pearson Education, Inc. 2004), 11-12.

[35] I come to this conclusion by way of inference from Waltz, *Theory*, chaps. 7,8,9. He argues that global goods and services are more likely to be performed by the great powers the smaller their numbers are. As the fall of the Soviet Union was unimaginable at the time he came to that conclusion, he did not consider whether global goods and services would be more or less likely to be performed when only one power dominates the system. It is therefore easy to come to the conclusion that global goods and services would be more likely to be provided in a unipolar system. Waltz somewhat concurs in an article written in the wake of the fall of the Soviet Union when he argues that "dominant powers take on too many tasks beyond their own borders", though he does not believe in the desirability of a unipolar system. See Waltz, "Structural Realism After The Cold War," *International Security* 25, no. 1 (2000).

[36] Callahan, 12-16; Michael Mastanduno, "Incomplete Hegemony and Security Order in the Asia-Pacific," in *America Unrivalled: The Future of the Balance of Power*, ed. G. John Ikenberry (Ithaca: Cornell University Press, 2002), 181-210.

Of course, a hegemonic/unipolar system has its drawbacks and has the potential of becoming unstable. Other states in the system may have regional and/or global ambitions of their own, and may try to challenge the hegemon. This can be so for many reasons. The security dilemma, for instance, may make some states feel threatened by the hegemon. The only way for them to ensure their own security is to internally and/or externally balance the power of the hegemon and endeavour to achieve hegemony in their own region[40]. This in turn will elicit a counter-reaction from the hegemon. It will act in response to prevent the other state from challenging it as allowing it to do so would only compromise its own position of hegemony, destabilize the region where the challenger is seeking hegemony, and call into question the benefits that a unipolar/hegemonic system provides. As states cannot assume that others will be benign, the hegemon has to expect the worst from its potential challenger and preclude the possibility of it ever getting into a strong enough position to challenge the hegemon. Ways in which this can be achieved range from a strategy of containment which endeavours to deny the potential challenger the resources needed to grow stronger and pose a challenge, to all out war and conquest. In so doing, the hegemon once again provides a service to those what would come to feel threatened by the potential challenger's hegemonic aspirations[41].

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[37] Callahan, 12-16.

[38] Waltz defines "stability" on pages 161-162 in *Theory* as an international system that "remains anarchic" and with "no consequential variations [taking] place in the number of principal parties that constitute the system" which "is then closely linked with the fate of its principal members."

[39] This is my own view. However, In *Theory*, Waltz disagrees with the purported desirability of a hegemonic international system when he states on page 201 that "One cannot assume that that the leaders of a nation superior in power will always define its policies with wisdom, devise tactics with fine calculation, and apply force with forbearance. The possession of great power has often tempted nations to the unnecessary and foolish employment of force, vices to which [America] is not immune. For one state or combination of states to foreclose others' use of force in a world, would require as much wisdom as power. Since justice cannot be objectively defined, the temptation of a powerful nation is to claim that the solution it seeks is a just one. The perils of weakness are matched by the temptations of power". I do not share this view. For a more optimistic view regarding the benefits of a unipolarity and the desirability of America's maintaining a unipolar order, see Art, 159-160.

[40] For a pessimistic view of the sustainability of the current hegemonic/unipolar system, see Waltz, "Structural Realism,".

Part II: Complex Interdependence[42]

The theory of complex interdependence claims to take into account the ever-changing nature of international politics and remedy the shortcomings of realist theory. No longer is the international political system dominated solely by states whose primary interests are national security with military power being the sole means of achieving that interest. A host of new actors and institutions play major roles in global politics, though states are still considered the most important actors. States can no longer independently follow their own foreign policy agendas as new sets of rules, norms, and procedures - whether formal or informal - constrain the actions of states. Security is no longer the key interest of states as a host of new issue areas that affect all states have risen to dominate the foreign policy agenda. Military power is no longer the sole means by which all of these various issue areas can be dealt with[43]. Globalization has brought about an era in which various ties between countries - especially economic ones - have brought states closer together and made them so entwined with one another that it has become increasingly difficult for one country to institute policy towards another without adversely affecting its own. As a result, states and non-state actors are becoming increasingly interdependent[44]. The theory of complex interdependence is said to explain all of these elements of new world politics.

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[41] This assumes that states balance against threats and not power alone as Walt argues. See note 22 above.

[42] This section draws largely from Robert O. Keohane and Joseph S. Nye, "Power and Interdependence: World Politics in Transition." (Boston: Little, Brown and Company, 1977).

Complex Interdependence

As Keohane and Nye state, "*Interdependence*, most simply defined, means *mutual* dependence. Interdependence in world politics refers to situations characterized by reciprocal effects among countries or among actors in different countries"[45]. Since the end of World War II, interdependence between states and other actors has grown tremendously and has grown especially in the recent age of globalization[46]. Not only has international trade and the flow of capital between states grown substantially, but a host of rules, norms, procedures, and institutions has risen to govern the ways in which trade takes place. Other issues, such as ecological and humanitarian crises have risen in importance to dominate the foreign policy agenda. Instead of foreign policy being solely directed by heads of state, new actors have risen to both bring issues to the fore as well as play an integral role in the dealings between states. All of this is a result of technological advances in the area of communications and travel such that people and governments from different parts of the world are no longer insulated from one another[47].

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[43] Callahan, 97.

[44] Ibid., 102-103.

[45] Keohane and Nye, 8. The italics used are those of the authors.

[46] For alternative views regarding the current level of interdependence as compared to pre-First and Second World Wars levels, see Art, 21-26; Kenneth N. Waltz, "Globalization and Governance," in *International Politics: Enduring Concepts and Contemporary Issues, Sixth Edition*, eds. Robert J. Art and Robert Jervis (New York: Longman, 2003): 354.

This is not to suggest, however, that interdependence will eventually do away with conflicts of interests in global politics[48]. While all states benefit from interdependence in absolute terms and there does exist substantial mutual benefit, they are still concerned with relative gains. Indeed, while all states may gain from increasing interdependence overall, some will gain more than others. The one that gains more, or the one that has more power resources, and is therefore less dependent, will have the ability to use these "*asymmetries* in dependence" to its advantage as a source of leverage and power over states that are more dependent in order to affect outcomes favorable to itself[49].

Asymmetrical interdependence has three sources, each with its own uses and costs: "military (costs of using military force); nonmilitary vulnerability (costs of pursuing alternative policies); and nonmilitary sensitivity (costs of change under existing policies)"[50]. Military power alone may not always prove useful in achieving foreign policy objectives due to the potentially high costs of its use. Indeed, the lethality of modern weapons and the cost of economic disruption among economically interdependent states is said to serve as a disincentive on the use of military force in global politics[51]. For this reason, the use or threat of military force is said to play a much less significant role in relations among states now than it once was. Moreover, many of the issues on the contemporary foreign policy agenda - whether conducted by states or non-state actors - do not call for the use of military force. Thus, while one state's military prowess might eclipse all others in the international system, its use will be rendered useless and/or irrelevant.

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[47] Callahan, 94-95.
[48] Art, 20.
[49] Keohane and Nye, 10-11. The italics used are those of the authors.
[50] Ibid., 17.
[51] Art, 27.

Three Characteristics of Complex Interdependence

There are three characteristics of complex interdependence: multiple channels, the absence of hierarchy among issues, and the minor role of military force. Multiple channels are the ways in which various international actors, whether states or non-state actors, come to interact with one another. These actors range from heads of state, bureaucrats, chief executive officers (CEO) of multinational corporations (MNC), bankers and financiers, to grassroots level groups of civil society. As Keohane and Nye state, "These actors are important because they act as transmission belts making government policies in various countries more sensitive to one another"[52].

As opposed to realist theory which places military power and national security at the top of a state's agenda, complex interdependence argues that there is an absence of hierarchy among issues. This is because so many issues now dominate a state's foreign policy agenda, from ecological and humanitarian disasters, to trade and finance. And because the lines between a country's domestic and foreign policies are becoming increasingly blurred, no one issue, such as national security, ranks as a state's highest priority[53]. States strong in the military realm will find it increasingly difficult to reduce and link nonmilitary issues to military ones and use its military power to deal with nonmilitary issues. On the other hand, states lacking military power but possessing other power resources relevant to the nonmilitary issue may have a greater ability to cope with the new issues at hand[54].

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[52] Keohane and Nye, 26.

[53] Callahan, 95-96.

Yet, the use or threat of military force has not been reduced to an insignificant role in global politics. Indeed, complex interdependence theory does not deny that in the condition of international anarchy, survival must always remain the key objective of states and military power will at times be needed to ensure survival[55]. However, the proliferation of issues affecting states, the growing interconnectedness among them, and the lethality of modern weaponry and nuclear weapons has relegated military force to a minor role in the ways in which states achieve their diverse foreign policy objectives[56].

International Regimes

The various ties among actors and the issues that they face in the condition of complex interdependence are now most often governed by "networks of rules, norms, and procedures that regularize behavior and control its effects. We refer to sets of governing arrangements that affect relationships of interdependence as *international regimes*"[57]. These regimes may be formalized through international institutions with their own set of explicitly codified rules, norms, and procedures, or they may be informal and implicit. Regimes at once affected by the structure of the international system (defined by the distribution of power resources among states) which defines the regime and affect the ways in which the players within the regime interact with one another.

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[54] Ibid., 102.

[55] Indeed, Keohane and Nye state on page 29 in *Power and Interdependence* that "if [an] issue becomes a matter of life or death, the use of force could become decisive again. Realist assumptions would then be more relevant. It is thus important to determine the applicability of realism or complex interdependence to each situation."

[56] Callahan, 100-102.

[57] Keohane and Nye, 19. The italics used are those of the authors.

International Organizations

The various ties that states and non-state actors have with one another can either be formal or informal. In the former instance, international organizations are said to play a significant role in regimes under conditions of complex interdependence[58]. Created to deal with singular or multiple issue areas, they serve as the mechanism to manage affairs between states and non-state actors by developing rules, norms, and procedures. By bringing different actors together, international organizations provide a forum in which particular issues are raised and solutions to global problems are sought. Recognizing that cooperative efforts are needed to cope with many issue areas, they provide a way in which concerned parties can coordinate their efforts. They also allow traditionally weak players, at least in the economic and military spheres, to have voice by uniting with other weak players. Because going against the rules, norms, and procedures may make a state appear belligerent and self-interested, complex interdependence theory holds that international organizations can play a substantial role in constraining the actions of states.

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[58] Callahan, 97-99.

Four Explanatory Models of Regimes

There are four explanatory models that serve to explain the rise and fall of regimes under conditions of complex interdependence. They are: economic processes, the overall power structure of the world, the power structure within issue areas, and power capabilities as affected by international organizations. An economic processes model used to explain regime change rests on three premises. The first is that technological and economic change "will make existing international regimes obsolete"[59]. Technological advancements in communications, increased flow of goods, outsourcing of jobs, foreign direct investment (FDI), global financial transactions, etc, all constitute technological and economic changes that existing regimes cannot cope with. The second premise that an economic processes model rests on is that "governments will be highly responsive to domestic political demands for a rising standard of living"[60]. Governments are becoming increasingly concerned with the economic well-being of their citizens. Finally, the benefits reaped from the technological and economic changes discussed in the first premise will serve as an incentive for governments to change existing regimes so as to restore their original efficacy in line with these new developments. But because of the economic gains reaped by states under conditions of complex interdependence, the complete destruction of a regime will generally be avoided in order to forgo the economic losses in doing so. Rather, gradual change or readjustments are made in order to better take into account the various technological and economic changes taking place.

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[59] Keohane and Nye, 40.

[60] Ibid., 40.

A second model used to explain regime change under conditions of complex interdependence is the overall power structure in the world. This model rests largely on the theoretical premises of realism. It takes the view that the most powerful states in the international system (with power being determined by the overall distribution of capabilities, especially military) define and enforce the various rules, norms, and procedures of a particular regime. In particular, if one and only one great power exists, it can establish, enforce, maintain, and indeed abrogate from regimes so long as its interests are served. Doing so, however, can often be counterproductive as the maintenance of a regime depends on providing other states with tangible benefits from the regime which in turn bestows the hegemonic power with legitimacy. If the hegemonic power begins to lose legitimacy, secondary and weak states might push for different sets of rules, norms, and procedures or even for wholesale regime change. Additionally, as history has shown, the distribution of power resources often changes, with a former great power being replaced by another or other major structural changes taking place, usually resulting from war or other unforeseen events. The rules, norms, and procedures of a regime defined and enforced by one or several great powers will be replaced with a new set of rules, norms, and procedures by the new great power or powers that replace them in order to better reflect their interests.

The third model with which to explain regime change looks at the power structure among actors within specific issue areas. As discussed above, military power (which determines the overall structure of power in the international system) is often rendered irrelevant under conditions of complex interdependence and specific issue areas. Strong military powers often cannot use or threaten to use their armed forces in issue areas where military power is inappropriate[61]. Militarily weak states, on the other hand, may hold other power resources that can be brought to bear that militarily strong states cannot. Because some states may possess relevant power resources that can be effectively wielded in one issue area but not others, this model requires us to examine each issue area separately without drawing linkages between them. This model explains regime change by looking at the clash of interests between actors with the most overall aggregate power capabilities (especially military) and those that possess power capabilities more relevant to the specific regime and issue area. When the pattern of outcomes generated by the bargaining process of a specific regime becomes unsatisfactory to the powerful states within a particular issue area, the rules of the regime are changed in the hopes that greater benefits can be gained.

The fourth and final model used to explain regime change under conditions of complex interdependence is by looking at the constraining qualities of international organizations. These constraining qualities result from the entrenchment of the various rules, norms, processes, and elite networks in international organizations that make it difficult for states - whether ones with tremendous aggregate power across the international system or within a specific issue area - to ignore and/or change them when it suits them. Even if the distribution of power across the system or within issue areas is used by powerful states to establish particular regimes and international organizations in order to serve their interests, they quickly find that their creations serve as a constraining force. For this reason, international organizations are said to constitute an altogether different type of international structure. Thus, not only does this model examine the distribution of power capabilities among actors, but it also focuses on an organization's rules, norms, and processes as important variables. Once powerful states are able to exploit others' dependence or change or abrogate from the rules of a particular international organization by virtue of their power capabilities in order to serve their own interests, this model is said to become irrelevant and the two structural models are deemed to be more appropriate in explaining regime change.

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[61] Hopmann, 107.

Based on this overview of the four explanatory models, it is clear that each provides unique insights into regime change under conditions of complex interdependence. But each also has shortcomings. Thus, no one model can accurately explain contemporary international politics. Rather, the analyst must determine which model or combination of models is needed to explain a particular regime. In particular, the issue structure and international organization models are said to be most applicable "the closer a situation is to complex interdependence", while the overall structure model is most appropriate when realist conditions obtain[62].

Conclusion

As the following chapters will illustrate, complex interdependence between America and China exists on many levels, from the economic to the social to the institutional. The economic processes and international organization models would be most appropriate to explain these types of relations. However, as the topic of this thesis pertains to potential changes in the overall distribution of power in the international system and the ramifications that may arise therefrom, and because military and economic power remain important factors in both America's and China's desire to maintain or augment their respective positions of power, realist conditions are clearly present. Indeed, the theory of complex interdependence is largely meant to explain world political issues outside of the military and security realms and advises the analyst to rely on realist theories when those issues are to be examined. As structural realism is inherently a theory that deals with the structure of the international system as causes for state behavior on the global stage as well as providing insights into what the strategic national interests of states are, structural realist theory is the most appropriate way to examine this aspect of Sino-US relations.

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[62] Ibid., 60.

What does structural realist theory tell us, then, about what America's national interests should be? Since the end of the Cold War, America has been the lone superpower in the international system. It far surpasses any other state or combination of states in most respects, be it economically, militarily, or technologically[63]. Balance of power theory, however, leads us to posit that America's global preeminence will not last. Rather, a state or coalition of states will in all likelihood emerge as a result of internal and/or external balancing behavior and come to balance America's power and limit its range of action on the global stage[64]. Indeed, by the logic of structural realism, it makes sense for them to try to do so. But it also makes sense by the same logic for America to maintain the status quo, that is, maintain an *in-balance* of power by blunting any attempted challenges, because the status quo is what benefits it the most. Whether America has done so vis-à-vis a rising China, and what America should do by the logic of structural realism if it has not done so already are topics to be explored in the chapters that follow.

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[63] See note 32 above.

[64] See Waltz, "Structural Realism,"; Waltz, *Theory*, chap. 6; and Mearsheimer *The Tragedy*, chap. 10.

Chapter 2

The Rise of China: Will History Repeat Itself?

This chapter discusses the rise of China and the potential challenges this may pose for American unipolarity. It examines the empirical basis for the claim that China's growing power will one day serve to balance American power by examining the various ways in which the Middle Kingdom is engaging in balancing behavior. It also examines the potential implications and ramifications of China's rise vis-à-vis America, both regionally and globally. Many analysts contend that the rise of China is nothing to worry about[65]. This chapter takes a more pessimistic stance and illustrates that China's growing power is a cause for concern for American leaders and policy makers and necessitates an assessment as to the course of action America should take with regards to the rise of China.

Part I: China as a Likely Balancing Candidate

By many indications, China is the most likely candidate for the state that will come to balance American power. This is evidenced by both its internal and external balancing behavior. With regards to internal balancing, China's economy has grown tremendously since the economic reforms initiated by Deng Xiaoping in the late 1970s, averaging at approximately 9% per annum [66]. The PRC is currently ranked as the world's 7th largest economy using gross domestic product (GDP) as an indicator[67], and the world's 2nd largest economy using the purchasing power parity scale[68], and it is projected to surpass the American economy in the 2040s (using GDP as an indicator) to become the world's largest economy[69]. It is also the world's largest recipient of FDI[70]. To be sure, there have been problems related to China's economic growth such as extreme disparities between the rich and the poor, extreme poverty in the countryside, and subsequent popular discontent[71]. Many also claim that China's economy is 'shallow' insofar as it lacks innovation and serves primarily as the global sweatshop[72]. But for all intents and purposes, China has been extremely successful at reforming its Mao-era Soviet style economic system into a fast-growing modern economy which in turn serves as an essential component of internal balancing and is the means by which it can engage in other internal, as well as external, balancing behavior.

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[65] See, for instance, June Teufel Dreyer, "Democratization in Greater China: The Limits To China's Growth," *Orbis* 48, no. 2 (2004); Bates Gill and Michael O'Hanlon, "China's Hollow Military," *The National Interest* 56, no. 2 (1999); David Kang, "China Reassures East Asia: Rising Power, Offshore Balancers, and Hierarchy," *Dartmouth College* (2005); Robert S. Ross, "Beijing as a Conservative Power," *Foreign Affairs* 76, no. 2 (1997); and Gerald Segal, "Does China Matter?" *Foreign Affairs* 78, no. 5 (1999).

[66] For thorough discussions of China's post-reform economic growth, see the following: George Gilboy and Eric Heginbotham, "China's Coming Transformation," *Foreign Affairs* 80, no. 4 (2001):

In addition to economic power, military power is a critical tool for a state to use in order to affect outcomes favorable to itself on the global stage. To this end, the

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29; David Hale and Lyric Hughes Hale, "China Takes Off," *Foreign Affairs* 82, no. 6 (2003); Richard Kraus, "China in 2003: From SARS to Spaceships," *Asian Survey* 44, no. 1 (2004): 151-153; Roy, 58; Dall L. Yang, "Leadership Transition and the Political Economy of Governance," *Asian Survey* 43, no. 1 (2003): 26, 32-38.

[67] "The Ranking of Per Capita GDP," *Iowa State University Department of Economics* <http:www.econ.iastate.edu/classes/econ355/choi/rank.htm> (20 July 2005).

[68] "GDP Purchasing Power Parity – Millions of Dollars," *Geographic.org* <http://wwww.photius.com/wfb1999/rankings/gdp_ppp_0.html> (20 July 2005).

[69] On page 244 of *A Grand Strategy*, Art argues that it is possible for China's GDP to equal America's by 2015 or 2020.

[70] "China Overtakes U.S. as Largest Investment Recipient, OECD Says," *U.S. Department of State* <http://tokyo.usembassy.gov/e/p/tp-20040629-31.html> (20 July 2005).

[71] For insights on the negative social impacts of China's economic growth, see Minxin Pei, "China's Governance Crisis," *Foreign Affairs* 81, no. 5 (2002).

[72] See the following articles for arguments against the strength and sustainability of China's economy: George J. Gilboy, "The Myth Behind China's Miracle," *Foreign Affairs* 83, no. 4 (2004); Edward S. Steinfeld, "China's Shallow Integration: Networked Production and the New Challenges for Late Industrialization," *World Development* 32, no. 11 (2004). The conclusions reached in this paper, however, are premised on China's continued economic growth.

PRC has used its economic wealth to embark on a military modernization program, an essential component in internal balancing, especially considering the huge gap between America's military prowess and that of China's. Indeed, much of China's military arsenal and technology is out of date and qualitatively far behind that of the world's other military powers, not to mention America's[73]. However, Beijing has been making a huge effort in recent years to narrow the gap[74]. Defense spending, for instance, has steadily increased in the last few years[75]. It has been acquiring various advanced weapon systems from Russia such as aircraft and submarines[76]. It has been increasing the size of its short- and medium-range ballistic missile (SRBM and MRBM) arsenal as well as making various qualitative and quantitative adjustments to its intercontinental ballistic missiles (ICBM), such as working on multiple independently targetable reentry vehicle (MIRV) technology arguably in response to America's deployment of ballistic missile defense (BMD)[77]. It has been emphasizing technological innovation as evidenced by the Party's support for various technical schools throughout the country[78] as well as emphasizing the need for indigenously produced weapon systems[79]. Its doctrinal shifts have focused on asymmetrical, cyber, and information warfare[80]. And finally, it has been downsizing the size of the People's Liberation Army (PLA), emphasizing a smaller but better quality fighting force[81].

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[73] David Shambaugh notes that "the prevailing view in the Defense Department is that China's military remains at least 20 years out of date, a view shared by most independent analysts." See David Shambaugh, "Sino-American Strategic Relations: From Partners to Competitors," *Survival* 42, no. 1 (2000): 104.

[74] See "China's National Defense in 2004," *China Through a Lens*, 2004 <http://www.china.org.cn/english/ 2004/ Dec/116032.htm> (30 December 2004).

[75] For raw figures pertaining to the PRC's increases in military expenditures in recent years see Ibid; Richard A. Bitzinger, "Just the Facts, Ma'am: The Challenge of Analysing and Assessing Chinese Military Expenditures," *The China Quarterly* (2003); and David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley: University of California Press, 2002), chap. 5.

[76] For details on Sino-Russian arms transfers, see Lyle Goldstein and William Murray, "Undersea Dragons: China's Maturing Submarine Force," *International Security* 28, no. 4 (2004).

[77] Brad Roberts, Robert A. Manning, and Ronald N. Montaperto, "China: The Forgotten Nuclear Power," *Foreign Affairs* 79, no. 4 (2000); Roy, "China's Reaction," 62-63; Shambaugh, "Sino-American Strategic Relations," 104-105; Kori Urayama, "China Debates Missile Defense," *Survival* 46, no. 2 (2004); Adam Ward, 44.

[78] Bitzinger, "Just the Facts,"; Bates Gill and James Mulvenon, "Chinese Military-Related Think Tanks and Research Institutions," *The China Quarterly* 171, no. 3 (2002).

As evidenced by numerous official policy statements, Beijing is opposed to American unipolarity and would prefer to see the emergence of multipolar system. For instance, China's National Defense in 2000 states:

> "in today's world, factors that may cause instability and uncertainty have markedly increased. The world is far from peaceful. There is a serious disequilibrium in the relative strength of countries. No fundamental change has been made in the old, unfair and irrational international political and economic order. Hegemonism and power politics still exist and are developing further in the international political, economic and security spheres. Certain big powers are pursuing "neo-interventionism," "neo-gunboat policy" and neo-economic colonialism, which are seriously damaging the sovereignty, inde-pendence [sic] and developmental interests of many countries, and threat-ening [sic] world peace and security.... The world is undergoing profound changes which require the discard of the Cold War mentality and the development of a new security concept and a new international political, economic and security order responsive to the needs of our times."[82]

Thus, the PRC has begun to engage in some external balancing behavior, albeit at a low-level[83]. It has made numerous diplomatic overtures to various states around the world in an effort to establish bilateral partnerships regarding economic, energy, military, and other issues[84]. Particularly noteworthy are the ties China has fostered with Iran, Sudan, and other oil-rich countries in an effort to gain greater energy security for its growing domestic demand. Also of significance, Beijing and Moscow held numerous talks and signed several agreements throughout the 1990s and the early 2000s regarding their shared interest in reducing American 'hegemonism'[85]. Thus, it could be argued that the PRC is laying the groundwork for an alternative locus of power in the international system other than the US by establishing these various ties[86]. The PRC has also recently participated in several regional multilateral fora such as Asia-Pacific Economic Cooperation (APEC) and the Association of Southeast Asian Nations (ASEAN) which may be considered another form of low-level external balancing. It may be the case that China is laying the groundwork for the establishment of an Asian economic bloc dominated by it to the exclusion of

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[79] Shambaugh, "Sino-American Strategic Relations," 104; Shambaugh, *Modernizing*, chap. 6.

[80] Concerning the evolution of the PLA's doctrine, see Thomas J. Christensen, "Posing Problems Without Catching Up: China's Rise and Challenges for U.S. Security Policy," *International Security* 25, no. 4 (2001); Goldstein and Murray, 187-184; Robert Ross, "Navigating The Taiwan-Strait: Deterrence, Escalation-Dominance, and U.S.-China Relations," *International Security* 27, no. 2 (2002); 72-76; Shambaugh, "Sino-American Strategic Relations," 106; and Shambaugh, *Modernizing*, chap. 3.

[81] Dennis Van Vranken Hickey, *The Armies of East Asia: China, Taiwan, Japan and the Koreas* (London: Lynne Rienner Publishers, 2001), 80.

[82] "China's National Defense in 2000," *China.org* <http://www.china.org.cn/e-white/2000/> (19 July 2005).

[83] As Roy states on page 63 in "China's Reaction,", "*External* balancing is evident in several areas of Chinese security policy, although the desire to avoid an openly adversial relationship with Washington poses constraints".

[84] See Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy," *Foreign Affairs* 82, no. 6 (2003); Avery Goldstein, "The Diplomatic Face of China's Grand Strategy: A Rising Power's

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Emerging Choice," *The China Quarterly* 168, no. 4 (2001). In "China's Reaction," on pages 70-71, Denny Roy argues that "China's National Security Concept (NSC)…is perhaps best viewed as a subtle diplomatic effort to reduce American international influence while elevating China's" and that "the NSC is a blueprint for a peaceful power transition for Asia from US dominance to the establishment of purportedly benevolent Chinese sphere of influence.".

[85] As Ward states on page 40 in "China and America,", "Russia [is] a key partner in Beijing's vision of a multipolar world". See Roy on page 64 in "China's Reaction," for a brief discussion of the various Sino-Russian agreements signed in the late 1990s and the early 2000s and the common interests both states shared that served as the rationale for those agreements. Roy does mention on page 67, however, that "Russian President Vladimir Putin's unilateral effort to narrow his country's differences with the US after 11 September reduced the Sino-Russian partnership's utility as a vehicle for balancing against America.". However, there are recent signs of possible conflicts of interest between Washington and Moscow regarding Russia's purported democratic retrenchment. American pressure on Russia regarding this issue may push Russia and China closer together. Most recently, however, in July of 2005, China and Russia crafted a "China-Russia Joint Statement on the 21st Century World Order,", the goal of which is to balance US power and bring about a multipolar international system. See Wang Kun-yi, "China tilts to Russia to counter Uncle Sam," *Taipei Times* <http://www.taipeitimes.com/News/editorials/archives/2005/07/14/ 2003263477> (19 July 2005). Also, for a thorough discussion of the possibilities of a Sino-Russian strategic alliance in response to NATO expansion, see Bruce Russett and Allan C. Stam, "An Expanded NATO vs. Russia and China," in *The Use of Force: Military Power and International Politics Fifth Edition*, eds. Robert J. Art and Kenneth N. Waltz (New York: Rowman & Littlefield Publishers, Inc., 1999), 305-317.

[86] Adam Ward states in "China and America," on page 37 that "Beijing's recent outreach to countries on its periphery can be read a kind of diplomatic counter-offensive- an attempt by China to interpose itself between those countries and the United States.".

America at some point in the future[87]. As power is relative and its acquisition is a zero-sum game, denial of Asian markets to America would be a substantial counter-balancing act. It might be the case that in the future, these various ties can be part of a Chinese bloc akin to the Soviet bloc during the Cold War, and one which, through the combined economies, militaries, populations, land masses, etc of its members could be used to seriously compromise America's preeminence in the future.

Part II: Challenges of a Rising Power

The previous section discussed China's internal and external balancing behavior vis-à-vis America. Structural realism posits that China will wish to carve out a bigger role for itself in its own region if not the international system commensurate with its ever growing power. Throughout history, such behavior has typically resulted in conflicts of interest between the status quo power (in this case America) and the rising power (in this case China) as the former wishes to maintain if not expand that which it already has while the latter desires its own piece of the pie at the expense of the former[88]. War has often been the result and has served as the ultimate decider of regional and global spoils. This section examines two sets of challenges resulting from the rise of China: first, it looks at the various challenges US policy makers face in attempting to formulate China policy; and second, it looks at the regional and global challenges that America will face if China does indeed succeed in revising the status quo[89]. Both sets of challenges have the potential to seriously compromise America's hitherto post-Cold War unchecked power and impose limits on its range of action in its pursuit of its various foreign policy objectives.

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[87] On pages 40 and 41 of "China and America,", Ward notes how "In November 2002, China and the ten members of the Association of South-east Asian Nations (ASEAN) reached a broad agreement on plans to construct a free trade area between them over a period of ten years.". Similarly, in "China Takes Off," on page 37 Hale and Hale state how "Beijing has tried to assuage its neighbors' concerns by spearheading a project to create a regional free trade zone and tightening economic cooperation in Asia through local mechanisms."

[88] For a different view on who the status quo and revisionist states are, see Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security* 27, no. 4 (2003); and David Shambaugh, "China or America: Which is the Revisionist Power?" *Survival* 43, no. 3 (2001).

China's Views of the Northeast Asian Security Architecture

Since the early days of the Cold War, America's forward presence in Northeast Asia has brought relative stability to an otherwise potentially unstable region. America's unofficial support for Taiwan has arguably deterred an unprovoked PRC attempt to reunify the Island with the Mainland by force. And its security guarantee to Japan precludes that country's need to fully arm itself above and beyond the limits that its constitution allows in order to address potential external threats. This in turn has served to placate its neighbors' fears of a remilitarized Japan[90]. America's forward deployment of troops in South Korea has served as a deterrent against another North Korean invasion.

China at once tolerates America's presence in the region as a force for stability but also views it with suspicion as an obvious effort to contain China's growing power[91]. With regards to the former view, America's presence in the region brings the PRC several tangible benefits. For instance, the Chinese have not forgotten the brutality unleashed upon them by Japan during World War II and fears of a remilitarized Japan abound. Japan's SDF are already quite substantial[92]. However, if America did not guarantee Japan's security, Japan would have to reevaluate the extent to which it relies on the US to ensure its security. This may include a revision of Article 9 of its constitution and a subsequent expansion of its conventional military forces and possible development nuclear weapons to counter those of North Korea and China[93]. Likewise, with regards to the Korean Peninsula, America's presence helps deter a Korean war that China might once again find itself dragged into. The chaos resulting from such a war could lead to massive refugee flows into China, something that is already a problem for Beijing[94]. The security dynamics in the region are both delicate and intricate and would in all likelihood be all the more so in the absence of America's stabilizing presence.

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[89] In this section, I focus solely on a PRC bid for regional hegemony, though I do note the effects that this could have on the structure of the international system, especially in conjunction with the various partnerships and ties China is currently fostering around the world. That China would begin to outright challenge America in Northeast Asia seems somewhat logical, if only due to convenience. Indeed, as Mearsheimer states on pages 140-141 in *The Tragedy*, "Great powers concentrate on achieving four basic objectives. First, they seek regional hegemony. Although a state would maximize its security if it dominated the entire world, global hegemony is not feasible…The key limiting factor…is the difficulty of projecting power across large bodies of water".

[90] To be sure, Washington's pressuring Tokyo to expand the role of the Self-Defense Forces (SDF), the revision of the US-Japan Security Guidelines, the SDF's deployment in Iraq, Japan's possible participation in BMD, and the recent US-Japan joint statement regarding Taiwan has served to make Beijing feel even more uneasy. See for instance, A.D. McLennan, "Balance, Not Containment: A Geopolitical Take from Canberra," *National Interest* 49, no. 3 (1997).

On the other hand, China views America's presence in the region and its security guarantees with the region's various players with suspicion[95]. Whether or not America's security partners in the region would willingly go on board with America in an active effort to contain a rising China is beside the point[96]. The fact that they *could* do so is enough to make Beijing wary of America's intentions. As discussed above, there is more or less a solid rationale for America's security partnerships with Japan and South Korea, a rationale that Beijing is somewhat accepting of. However, the byproduct of these partnerships and America's presence in the region is the ability to more easily contain China, or at least to deter it from asserting itself more aggressively in the region in a bid for regional hegemony. The fact that America's unofficial support for Taiwan arguably deters Beijing from seizing the island, which in turn denies China deep water and vital sea lanes access is one example of the ways in which Washington contains Beijing[97]. America's proposed sale of BMD assets and technology to Japan and Taiwan does not help dispel this suspicion in Beijing either, nor does a proposed American-Japanese-Korean alliance in the event of Korean reunification. Whatever the case, Beijing must for the time being act with caution in the region so long as America is in its backyard, a fact that the Middle Kingdom so far begrudgingly accepts.

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[91] Art, 142-143.

[92] For an overview of Japan's SDF, see Hickey, 35-68.

[93] One Japanese politician stated in response to a possible China threat that Japan could produce "three to four thousand nuclear warheads….If we get serious, we will never be beaten in terms of military power." Quoted in Eugene A. Matthews, "Japan's New Nationalism," *Foreign Affairs* 82, no. 6 (2003): 76.

[94] For a brief overview of the Korean refugee problem in China, see Robert A. Scalapino, "China and Korean Unification," in *Korea's Future and the Great Powers*, eds. Nicholas Eberstadt and Richard J. Ellings (Seattle: University of Washington Press, 2001): 114

[95] Ward states on page 37 in "China and America," that China has a "long-standing belief that the United States wishes to contain China and prevent its emergence as a great power". See also Mearsheimer on page 375 for a brief discussion of Chinese perceptions of America's presence in the region and relations with other states there.

Challenges for US Policy Makers

The preceding discussion begs the question, does China wish to replace America as the regional hegemon? There are three ways to answer this question, the first theoretical, the second by looking at official PRC declaratory statements and its actions, and the third way by making inferences from China's growing military capabilities and expenditures. All three, however, pose substantial challenges for US policy makers by making it difficult for Washington to formulate a robust China policy that is neither counterproductive to America's interests nor misguided.

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[96] Henry Kissinger believes that America would alienate its allies in the region if it embarked on an unprovoked containment policy against China. See Henry Kissinger, *Does America Need a Foreign Policy? Toward a Diplomacy for the 21st Century* (New York: Simon & Schuster, 2001): 135.

[97] Hisahiro Okazaki. "China's Imperial Dream: The Strategic Importance of Taiwan," *The Weekly Standard* 9, no. 2 (2003) <http://www.weeklystandard.com/content/public/articles/000/000/003/121rmiym.asp> (26 February 2005).

With regards to theory, it has been posited that rising powers eventually become dissatisfied with the status quo because the status quo does not adequately represent the rising power's interests. Feeling dissatisfied with its inferior status but believing that it deserves its own piece of the pie commensurate with its growing power, the rising power will often seek to revise the status quo in a way that best matches its own interests, with war being one of the means by which this is achieved[98]. Knowing this, US policy makers may wish to begin concentrating their efforts now to curtail China's growth which might be used to challenge America down the road. However, though theory can provide valuable insights into, and understanding of, human events, human behavior is not subject to the same patterns of regularity as is the natural world. While there is strong empirical support for the hypothesis that rising powers eventually seek to revise the status quo, to base policy solely on a theoretical prediction could lead to counterproductive and dangerous policies for America by turning China into an enemy even though its intentions may originally have been wholly benign.

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[98] For a discussion on hegemonic war and power transition theory, see the following: Robert Gilpin, "The Theory of Hegemonic War," *Journal Of Interdisciplinary Studies* 18, no. 4 (1988): 591-613; and A.F.K. Organski, *World Politics 2nd Edition* (New York: Knopf) 1968; and Charles F. Doran, ed. "Power Cycle Theory and Global Politics," *International Political Science Review* 24, no. 1 (2003). The quintessential historical example is that of Wilhelmine Germany's dissatisfaction with *Pax Britannica* and a desire to attain its own "place in the sun". This historical analogy has led many, including former Deputy Secretary of Defense Paul Wolfowitz in an article written in 2000, to refer to the PRC as "Wilhelmine China". See Paul Wolfowitz, "Remembering The Future," *The National Interest* Spring, no. 59 (2000): 35-45

The second way in which to ascertain whether or not China wishes to replace America as the regional hegemon is more empirical and involves looking at various official PRC declaratory statements as well as various actions China has taken in the region. Chinese officials have made numerous statements expressing their dissatisfaction with the status quo as well as expressed their desire to see the unipolar structure of the international system and Northeast Asia altered to a multipolar one[99]. And as discussed in the first section of this chapter, China has engaged in low-level external balancing which may help it more readily achieve its stated objectives. On the other hand, there was talk among Chinese officials of a "peaceful rise", that is, that China's rise and the implications and ramifications thereof do not necessarily need to correspond to historical precedents[100]. Either way, it is difficult if not impossible to ascertain whether these statements are merely meant for domestic consumption, to quell American fears and suspicion of China's true intentions, or if these statements are indeed official policy. Whatever the case may be, it will be a challenge for Washington to assess China's true intentions in the absence of an outright PRC bid for regional hegemony. By that time, however, it may be too late.

Finally, the third way in which to attempt to ascertain whether China is seeking to revise the status quo by replacing America with itself as the regional hegemon is to examine its growing military capabilities and expenditures[101]. The first section of this chapter illustrated how the PRC is in fact increasing its military expenditures in order to expand its military capabilities. Its focus on amphibious assault assets, submarines, and asymmetric and information warfare capabilities suggests an intention to at a minimum overturn a Taiwanese declaration of independence by means of a naval blockade and at a maximum to take the island by force and defeat America in a naval engagement in the process[102]. Of course, it is difficult to tell if China's growing military capabilities are a result of a true desire to take the Island by force and/or assert itself more forcefully throughout the region in an effort to achieve regional hegemony, or conversely if its growing military capabilities are merely a reaction to America's presence in Northeast Asia. Inferring intentions from capabilities is a near impossible science and has great potential to lead to counterproductive and misguided policies and turn China into an enemy when its intentions were in fact benign.

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[99] For instance, a joint China-Russia statement in 1997 stated that "No country should seek hegemony, practice power politics or monopolize international affairs." Michael R. Gordon, "Russia and China Say They'll Work to Limit U.S. Power," *New York Times*, 24 April 1997. See also note 82 above.

[100] See Robert L. Suettinger, "The Rise and Descent of "Peaceful Rise"," *China Leadership Monitor*, no. 12.

[101] For a thorough discussion of the difficulties of making inferences of China's intentions based on its military spending, especially considering the purported under-representation of its actual spending, see Bitzinger.

A PRC Bid for Regional Hegemony: Regional and Global Challenges for America

The preceding discussion was meant to demonstrate the difficulties and dangers for American policy makers in making inferences of China's intentions and to base policy on those inferences, something made obvious in the opposing views in Washington as to whether China should be treated as a "strategic competitor" or a "strategic partner"[103]. For the sake of argument, what challenges might an honest PRC bid for regional hegemony pose for America? There are many hypothetical scenarios and contingencies under which Beijing might attempt a bid for regional hegemony. For the sake of simplicity, I begin with a PRC seizure of Taiwan as the starting point for its bid for regional hegemony and primary conflict of interest between Beijing and Washington and discuss the possible regional and global consequences for America that may arise therefrom.

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[102] For assessments of China's possible intentions regarding Taiwan based on its growing capabilities, see Christensen; Glosny; Goldstein and Murray; and Ross, "Navigating,".

[103] See the following chapter for a thorough discussion of engagement versus containment.

In the event that Beijing calls America's bluff of coming to Taiwan's aid in the event of an unprovoked PRC attack and successfully seizes the Island without the US coming to the Island's support, America's security guarantees to Japan and South Korea (and its other allies around the world for that matter) would appear as less credible. Japan and South Korea would in all likelihood feel the need to reevaluate the extent to which they depend on America's military to ensure their security and they may increase the size of their already formidable armed forces in order to better face the North Korean threat and a more assertive China[104]. The development of nuclear weapons by Japan and South Korea would be highly likely, thereby undermining Washington's counter-proliferation efforts. A regional arms race would ensue, thereby increasing instability throughout the region, not to mention the fears and paranoia that a fully militarized Japan would elicit. A full-scale war, whether inadvertent or calculated could ensue, leading to a severe disruption of the region's and consequently the global economy. Should America eventually become involved in this conflict in order to prevent any one country from dominating the region, much life and treasure would be sacrificed with nuclear annihilation being the ultimate possible consequence. Through force of arms, China could come out the victor and establish itself as the head of a Northeast Asian bloc hostile to America.

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[104] On pages 73 and 74 in "China's Reaction,", Roy states that "China could still face the prospect of countervailing balancing by regional states such as Japan, India, Vietnam and possibly Russia, Korea and Australia if they found the behavior of a strong China threatening". See Walt, *The Origins*, for a discussion of how 'threats' and not merely 'power' serve as a cause for external balancing behavior.

Alternatively, in the aftermath of the seizure of Taiwan by the PRC, China's neighbors could bandwagon with it instead of balancing against it, thereby making Beijing's bid for regional hegemony easier and less bloody[105]. Whatever the course of events leading to China's ascendancy to regional hegemon, the challenges this would pose to America could be significant[106]. Severe limits would be imposed on its ability to pursue its various global interests and foreign policy objectives[107].

A hostile Northeast Asian bloc with China as the head could use its vast economic and military resources as leverage to check and limit Washington's range of action on the global stage, not to mention Beijing's greater ability to project its power abroad and cut off vital sea lanes resulting from the seizure of Taiwan[108]. America would no longer be the preeminent actor on the global stage and its ability to provide global goods and services could be greatly compromised.

Conclusion

This chapter discussed the possible challenges that a rising China may pose for America. Specifically, because America's power is currently unrivalled, balance of power theory leads us to expect that a state or group of states will at some point in the future come to balance and check American power. By looking at its internal and external balancing behavior, I illustrated why many consider China to be the most likely balancing candidate. I then discussed the specific challenges this may pose for American unipolarity. Specifically, I examined the challenges that US policy makers face in formulating a China policy that will not be counterproductive to America's goal of preserving its global preeminence, as well as the specific strategic and systemic challenges that a PRC bid for regional hegemony will pose for America. Coping with these challenges necessitates clear thinking in order for a robust China policy to be formulated, a task I set out to accomplish in the following chapter.

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[105] For a discussion of bandwagoning versus balancing, see Walt, *The Origins*; and Denny Roy, "Rising China and U.S. Interests: Inevitable vs. Contingent Hazards," *Orbis* 47, no. 1 (2003): 130.

[106] As early as January 1993, outgoing Secretary of Defense Dick Cheney released "The Regional Defense Strategy" which stated as its fourth of five strategic goals that America must "preclude any hostile power from dominating a region critical to our interests…Consolidated, nondemocratic control of the resources of such a critical region could generate a significant threat to our security." East Asia was listed as one of those critical regions. More recently, Henry Kissinger states on page 112 in *Does America*, "A hostile Asian bloc combining the most populous nations of the world and vast resources with some of the most industrious peoples would be incompatible with the American national interest. For this reason, America must retain a presence in Asia, and its geo-political objective must remain to prevent Asia's coalescence into an unfriendly bloc (which is most likely to happen under the tutelage of one of its major powers)".

[107] Roy states on page 73 in 'China's Reaction," that "a relatively stronger China would be less willing to accommodate the US and more inclined to challenge and attempt to displace US influence. China exhibits a clear interest in both limiting US influence and in establishing Chinese leadership and prestige."

[108] Roy, "Rising China,", 128.

Chapter 3

The Case for Containing China by Stealth

This chapter is written with a two-fold purpose in mind: first, to assess America's policy of 'engagement' with the PRC; and second, to put forth an alternate strategy for America to follow in order to cope with the rise of China. This chapter argues that America can continue to engage China while at the same time pursuing a more benign form of containment[109]. While I argue that the rationale behind president Clinton's engagement policy is out of sync with the expectations of structural realism in terms of precluding potential future PRC challenges, it is still a worthy policy to follow, if only because abandoning engagement might turn China into an enemy of America. However, both engaging and containing China will ensure that America continues to benefit economically from continued economic interaction with China while at the same time denying China some of the components necessary to posing a challenge to America both in Northeast Asia and the world as a whole.

This chapter is divided into two sections and proceeds as follows. In the first section, I examine America's policy of engagement towards China. This involves examining the rationale behind treating China like a strategic partner and how engagement has been implemented, as well as providing a critical evaluation of engagement using structural realism as the criterion of assessment. I argue that engagement is a misguided strategy meant to deal with the rise of China as it assumes the best from China's behavior in the future without adequately preparing for the worst. As such, I argue that, while engagement does provide America with some tangible economic benefits such as cheap goods, societal interaction, and political dialogue, implementation of an additional strategy is required in order to deal with China's surge towards great power status. In the second section of this chapter, I put forth an alternative strategy for America to follow in order to deal with this key issue in US foreign policy. This alternative strategy is one that endeavors to contain China in the hopes of denying the Middle Kingdom the means to challenge America in the future. I discuss varying forms of containment and argue that a containment by stealth strategy is America's best hope for maintaining its regional and global preponderance.

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[109] President Bush's former speechwriter David Frum suggested to me in a private conversation that policies of engagement and containment vis-à-vis China are not necessarily mutually exclusive. This chapter and the rest of this thesis takes this position.

Part I: Engagement

The Chinese Communist Party's (CCP) victory over the Nationalist forces and subsequent assumption of power over all of mainland China in 1949 came as a major surprise for the US. Because America at that time viewed all local communist movements as being puppets of Moscow, Washington declined extending official recognition of the CCP as the legitimate government of China until 1979. Additionally, because America's goal was to contain and rollback the Soviet Union, this policy *ipso facto* extended to communist China as well. China's entry into the Korean War in 1950 only worsened Sino-US relations. However, with the Sino-Soviet split in 1962[110], it became clear that that the global communist movement was not monolithic[111]. President Nixon traveled to Beijing in 1972 in order to establish relations with the Middle Kingdom in an effort to work the PRC against the USSR in what came to be known as triangular diplomacy[112]. Relations between China and America improved considerably in that time and containing China became less important than containing and rolling back the USSR. In 1989, however, when it seemed that China's behavior was changing for the good due to its opening up to the outside world, the PLA violently cracked down on student dissidents in Beijing's Tiananmen Square. Sino-US relations subsequently deteriorated to a considerable extent.

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[110] For an overview of the Sino-Soviet split, see Raymond L. Garthoff, *Détente and Confrontation: American-Soviet Relations From Nixon to Reagan* (Washington, D.C.: The Brookings Institution, 1985), 200-213.

President Clinton's policy of engagement with China was meant to deal with many of the sensitive issues surrounding Sino-American relations, including the CCP's violent crackdown of student dissidents at Tiananmen Square in 1989, heated Sino-Taiwanese relations (especially the 1996 missile crisis), as well as China's overall growing power. It was believed that closer interaction between China and America as well as with the rest of the international trading community would in time change the nature of the regime, which would in turn change and constrain its internal and external behavior[113]. For instance, allowing China's economy to grow stronger through international trade would create greater prosperity within China. As citizens become wealthier, so the argument goes, the desire for more political freedoms to accompany their economic freedom increases. Not wanting a large scale uprising, the

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[111] In 1974, Henry Kissinger wrote "The debate between Communist China and the U.S.S.R. is in many respects more acrimonious than that between the U.S.S.R. and the non-Communist world." Henry A. Kissinger, *American Foreign Policy: Expanded Edition* (New York: W.W. Norton & Company, Inc., 1974), 37-38.

[112] For an overview of Sino-US relations beginning at this time, see Garthoff, 213-240.

[113] Kissinger, *Does America*, 134.

Party might start taking small steps towards democratic reform[114]. Not only would a democratic China be inherently more accountable to the people and therefore become less repressive, but a democratic China would also be more peaceful in its external relations[115]. Such a belief is largely grounded in the belief that democracies do not go to war against other democracies and maintain peaceful relations with one another. This can be due to the accountability that democratically elected governments have to their populace who may not reelect the government if it started a war. Also, as democracies are prone to conflict resolution through consensus and compromise, war between democracies could be averted through such tactics. Thus, a democratic China would be less likely to go to war with Taiwan, more likely to abandon its hegemonic aspirations in the Asia-Pacific region, and more prone to having friendly and non-conflictual relations with America. Additionally, by fostering closer ties with China through trade, closer economic interdependence between the PRC and its trading partners might preclude its desires to go to war as loss of trade benefits in war may serve as a disincentive[116]. Finally, by bringing China into the fold of various international economic regimes, it was thought that the various rules, norms, and procedures of those regimes would serve to constrain and moderate its behavior.

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[114] John W. Lewis and Xue Litai, "Social Change and Political Reform in China: Meeting the Challenge of Success," *The China Quarterly* 176 (2003): 926.

[115] On page 326 of "Statesmanship,", for instance, Paul Wolfowitz writes "Democracy in China will not automatically resolve all the points of potential competition with the U.S. – nor did it in Japan. Nevertheless, a China that governs its own people by force is more likely to try to impose its will on its neighbors, while conversely, a China that is democratic is more likely to respect the choice of its neighbors. And its neighbors, including the United States, are more likely to trust it and accept its growing influence."

[116] On page 27 of *A Grand Strategy*, Art states that "deep interdependence is not conflict-free, but to the extent that it creates interests in self-gain through mutual gain, it is a force not only for increasing material well-being but also for the peaceful resolution of disputes." For a counterargument against this line of thinking, see Waltz, "Structural Realism," 38-42.

To this end, Congress passed the Permanent Normal Trading Relations (PNTR) bill on 19 September 2000 with an overwhelming amount of bipartisan support in both the House and the Senate[117]. FDI into China was encouraged. As a result, China is now the largest recipient of FDI, totaling 53 $US billion in 2003, with America, Japan, and Taiwan being the largest donors[118]. Washington also pushed for China's membership into the World Trade Organization (WTO) which it officially received in November of 2001. The Clinton administration also chose to 'de-link' trade from other more contentious issues in Sino-American relations. China's human rights abuses, for instance, would not serve as a basis for ending trade relations[119].

Assessing Engagement

How might we assess America's policy of engagement in dealing with the potential of China one day challenging the US? In a word, negatively[120]. Theoretically speaking, a policy of engagement is an idealistic, misguided, and dangerous one as it hopes for the best from the PRC without adequately preparing for the worst. China learned a hard lesson from its 'century of shame' in which it was subjugated by outside influences. Not wanting a repeat of such an event, it will endeavor to preclude such a scenario from ever happening again. China will thus keep trying to acquire more power, firstly economic power which greater international trade will allow it to acquire, which can then be converted to military power, something the empirical record suggests that it is doing[121]. No world government exists to ensure China's security and survival and it cannot be certain of America's intentions towards it, especially considering its forward deployment of troops in its own backyard. Thus, in order to survive, it will try to achieve regional hegemony at America's expense, as well as engage in further internal as well as external balancing behavior in order to check American power.

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[117] "Red China Rewarded on PNTR Vote," *Conservative USA* <http://www.conservativeusa.org/pntrvote. htm> (31 March 2005).

[118] "China Overtakes U.S. as Largest Investment Recipient, OECD Says,".

[119] But they would also not be ignored. See, for instance, Wolf Blitzer, "Clinton Leaves for China: Controversies Multiply," *CNN.com*, 24 June 1998 <http://www.cnn.com/WORLD/asiapcf/9806/24/clinton.china.01/> (31 March 2005); Robert Kagan, "Clinton's China Two-Step," *Project for the New American Century*, 17 January 2000 <http://www.newamericancentury.org/china_027.htm> (31 March 2005).

[120] For a harsh assessment of Clinton's engagement policy with China, see Ross H. Munro, "China: The Challenge of a Rising Power," in *Present Dangers: Crisis and Opportunity in American Foreign and Defense Policy*, eds. Robert Kagan and William Kristol (San Francisco: Encounter Books 2000), 47-73.

Such an outcome would seriously challenge America's interest in maintaining its regional and global preeminence and compromise its ability to provide the international system with the benefits that only it can provide as hegemon. If allowed to challenge and indeed rival America as the Soviet Union was once able to do, the international system would become less orderly. No longer would there be one power to define and enforce the rules of the game as is the case in a unipolar/hegemonic international system. Global goods and services would be less likely to be provided then they are now, to the detriment of the rest of the states in the international system. A catastrophic war between America and China and their respective allies may break out with the potential consequences being unimaginable. It follows, then, that America must preclude even the possibility of such a scenario from ever occurring, for its own benefit, and for the sake of the international system.

Unfortunately, America's policy of engagement and treating China like a strategic partner is not the way to go in order to preclude such a scenario from occurring. While China's intentions may in fact be wholly benign, it is much too risky to assume so considering the possible consequences of being wrong. To engage China in the hopes that its external behavior will one day become pacified is much too risky. A democratic China may become peaceful, not seek to reincorporate Taiwan through force, abandon its hegemonic ambitions in Northeast Asia and abandon its desire to bring an end to American 'hegemonism'. Then again, it may not. It matters not whether a state is authoritarian or democratic: because no one can ensure China's safety, it will seek to ensure its survival by seeking regional hegemony, acquiring power at the expense of America and its allies, balance and check the power of America and its allies, and perhaps engage in war and conquest. Indeed, since engagement policy was implemented in the late 1990s and early 21st century, China has shown no signs of becoming pacified[122]. Moreover, to hope that China's closer economic interdependence into the global economy will dissuade it from acting aggressively and assertively and challenging America is wrongheaded[123]. Thus, America's policy of engaging China in the hopes that the PRC will become more pacified is much too risky considering the stakes.

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[121] See pages 30-33 above.

This analysis of engagement, however, is not meant to suggest that it should be entirely abandoned. America can reap many benefits from continued economic, political, and social interaction with China. Some aspects of China-US trade are detrimental to the US economy, to be sure[124]. But America also gains tremendously by engaging China on the economic front[125]. On the political front, continued engagement ensures ongoing dialogue which has the positive effect of helping maintain friendly relations between Beijing and Washington and serves as an ongoing forum for discussion whenever problems arise. However, structural realist theory tells us that engagement alone will not preclude China's surge towards great power status and the ability to challenge American hegemony in Northeast Asia and the world as a whole. In the following section, I discuss an alternative strategy as to how America can achieve this objective, one that better takes into consideration the realities of world politics and supplements the benefits of engagement.

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[122] Robert Kagan, "Call Off The Engagement," *The Weekly Standard*, 24 May 1999 < http://www.weeklystandard.com/> (31 March 2005). On page 56 of "China," Munro goes as far as to label China a "rogue state". Other examples of China's belligerent behavior include seizure of Mischief Reef in 1995, the missile 'tests' it conducted across the Taiwan Strait in 1995 and 1996, and ongoing territorial disputes regarding the Spratly Islands and Senkaku Island.

[123] Indeed, as Hale and Hale argue on page 53 of "China Takes Off,", "One of [the First World War's] chilling lessons was that even countries with economies that are highly integrated into regional or international markets – such as Germany then and China now – sometimes wage war."

Part II: The Case for Containment by Stealth

America must contain the PRC if it is to maintain its hegemonic order in Northeast Asia and preclude the possibility of a powerful China challenging it in the region, if not the global stage, as the Soviet Union was once able to do. Broadly speaking, containment means to halt, if not rollback, the growing power of an aspiring or already existing hegemon.

Containment is desirable simply for the fact that it is a prudent strategy. As argued in the previous section, engaging China brings America many benefits and might pacify it and preclude its ability and desire to challenge America, but then again it may not. For America to place its bets on China becoming peaceful and not challenging America and compromising its preeminence is much too risky. Containing the PRC acts as a kind of insurance as it assumes that China will indeed use its growing economic and military power to challenge America in the future, an assumption that is arguably already supported by the empirical record[126]. By assuming this will be the case, America can begin to act now so as to preclude such a possibility from ever materializing in the first place[127].

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[124] Charges of China dumping cheap textiles into the US and consequently destroying America's domestic textile industry, as well as the issue of China's pegging the *Yuan* to the US dollar are some of the more salient and troublesome issues in China-US economic relations. See, for instance, Ibid., 49-50. For a discussion of the potential negative ramifications of China de-pegging the *Yuan*, see Lawrence Kudlow, "The China Mess," *National Review Online*, 19 April 2005 <http://www.nationalreview.com/kudlow/ kudlow200504191337.asp> (19 July 2005).

[125] See, for instance, David Shambaugh, "Facing Reality in China Policy," *Foreign Affairs* 80, no. 1 (2001): 56.

Those against a strategy of containment towards the PRC make the two following arguments. First, treating China like an enemy and possible challenger to American preeminence may be a self-fulfilling prophecy by turning China into an enemy or possible challenger even though its original intentions were wholly benign[128]. Those that make this argument do have a point. However, as already argued, China's intentions may not be benign. To assume that the PRC will be benign is much too risky. Containment, therefore, is much more prudent.

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[126] See, for instance, Munro, 59-61; and Christensen.

[127] As Kristol and Kagan have it, "American statesmen today ought to recognize that their charge is not to await the arrival of the next great threat, but rather to shape the international environment to prevent such a threat from arising in the first place. To put it another way: the overarching goal of American foreign policy – to preserve and extend an international order that is in accord with both our interests and our principles – endures." William Kristol and Robert Kagan, "Introduction: National Interest and Global Responsibility," in *Present Dangers: Crisis and Opportunity in American Foreign and Defense Policy*, eds. Robert Kagan and William Kristol (San Francisco: Encounter Books, 2000), 12.

[128] For instance, Kissinger argues on pages 135 and 136 in *Does America* that "it is in the American interest to resist the effort of *any* (his italics) power to dominate Asia—and, in the extreme, the United States should be prepared to do so without allies. But a wise American policy would strive to prevent such an outcome. It would nurture cooperative relations with all the significant nations of Asia to keep open the possibility of joint action should circumstances require it. But it would also seek to convey to China that opposition to hegemony is coupled with a preference for constructive relationship and that America will facilitate and not obstruct China's participation in a stable international order. Confrontation with China should be the ultimate recourse, not the strategic choice". Unfortunately, by the time China makes its intentions clear and attempts a bid at regional hegemony, it may be too late for America to do anything.

The second main argument made against a containment policy is that the situation with China is not synonymous with that of the Soviet Union during the Cold War and for this reason a strategy of containment is both misguided and wrongheaded[129]. Those who make this argument are entirely correct in asserting that the current situation is not yet analogous with the Cold War. But they are entirely incorrect in suggesting that a strategy of containment is misguided and wrongheaded. The purpose of implementing a containment strategy now is to preclude the possibility of China ever being able to challenge America as the USSR was once able to do in the first place. To wait and see if China will pose challenges to America while giving it the opportunity to acquire more economic and military power with which to challenge America is misguided and wrongheaded.

Structural realism tells us that the US must contain China in order to maintain American regional and global supremacy. The theory posits state interests and strategies to achieve those interests. It does not, however, tell us precisely how to achieve them. As there are varying forms of containment, their outcomes can vary widely[130]. Some outcomes may prove to advance interests while others may prove to be wholly inadequate if not counterproductive. To examine different forms of containment and their potential consequences, as well as to ascertain which brand of containment America should implement is a task to which we now turn.

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[129] Kissinger states on page 135 of *Does America* that "The conditions of Asia are not analogous to the Cold War. Then, a single ideological adversary threatened all the nations of Western Europe, which eagerly sought American assistance. In Asia, barring major Chinese provocation, the United States would have to conduct a containment policy alone and over an indefinite period of time. Unless their own survival is directly and clearly threatened, the Asian nations will not be prepared to join a crusade that groups them together as were the nations of Europe in opposition to a single threat. An Asian version of the containment policy of the 1980s will find few, if any, takers…much more likely, it will cause the Asian nations to move away from the United States". See also Wolfowitz, "Statesmanship," 325.

[130] For excellent overviews of varying forms of containment and their modes of implementation, see Art, 111-120; and John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of Postwar American National Security Policy* (New York: Oxford University Press, 1982).

Economic Containment

Economic containment would endeavor to tighten the economic noose around China's neck by reducing trade and investment with it. As wealth is the means by which China can acquire further military resources with which to challenge America, at first glance a policy of economic containment seems to make sense. America could, for instance put tariffs on Chinese exports such as textiles. This will take away an important market for China upon which it depends to fuel its export-based economy[131]. As increments in one state's power, in this case economic power, comes at the expense of others in international politics, such a strategy would go a long way towards denying China's ability to pose a challenge for America. America could also re-link trade with human rights. Since President Clinton decided to de-link trade with human rights abuses and other contentious issues, the CCP has continued to abuse human rights within its borders and act belligerently towards Taiwan. Re-linking trade with human rights abuses and other belligerent acts would serve as a persuasive excuse to reduce trade and/or sanction the PRC. America could even terminate China's PNTR status. The PNTR in essence gives the CCP a free hand to do whatever it desires, be it abusing human rights or acting belligerently towards Taiwan, without fear of losing trade concessions with America. America could revert to annual

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[131] America is the largest purchaser of Chinese exports. See Arthur Waldron, "Democratization and Greater China: How Would Democracy Change China?" *Orbis* 48, no. 2 (2004): 252.

Congressional votes as to whether or not China should be extended Most Favored Nation (MFN) status based on its behavior.

While such a form of containment may blunt China's economic growth upon which it will depend to challenge America in the future, the costs to America are potentially huge. Any or all of these tactics would be seen by Beijing as extremely belligerent and a form of outright containment and would most likely quickly turn China into an enemy of the US. Moreover, such tactics would in all likelihood alienate America's Asian allies who benefit greatly from trade with China[132]. It would be extremely difficult to convince them to get onboard with the US[133]. Employing such tactics unprovoked would make America appear to be highly belligerent and China the innocent victim. As a result, others may balance with China against America. Such tactics, then, should only be resorted to in the event that China initiates hostilities and makes its true hostile intentions known.

Political Containment/Destabilizing the Regime

Another form of containment would require America to destabilize the regime. To this end, America could, for instance, provide outright moral and material support to independence movements in Taiwan, Tibet, and Xinjiang provinces. The loss of any of or all these areas would constitute a significant blow to the regime's legitimacy, which in turn might lead to a general uprising leading to the overthrow of the CCP. This in turn might have the effect of sending China into a state of general chaos and blunting and setting back its economic growth, perhaps for decades. America could also provide rigorous moral support to pro-democracy movements inside China. And finally, America could stimulate an arms race with China. Doing so would force China to shift its resources from butter to guns, thereby further contributing to the discontent that the hundreds of millions of Chinese people are experiencing by being left behind in China's economic growth[134].

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[132] Concerning the benefits that America's Northeast Asian allies derive from trade with China, see Abramowitz and Bosworth, "Adjusting to the New Asia," *Foreign Affairs* 82, no. 4 (2003): 122; and Chien-min Chao, "Will Economic Integration Between Mainland China And Taiwan Lead To A Congenial Political Culture?" *Asian Survey* 43, no. 2 (2003).

[133] Indeed, as Art argues on page 120 of *A Grand Strategy*, "if the great power is growing fast, like China, other states will not want to hurt themselves economically by imposing extensive restrictions on their exports.

As with economic containment, such a strategy is overly belligerent and would quickly turn China into an enemy of the US, the consequences of which could be disastrous. Anti-Americanism and nationalism could increase significantly in China and a significant backlash against the US, in whatever form, could follow. And as is the case with economic containment, the US could alienate its allies and ruin America's image, thereby leading to potential counter-US balancing behavior in favor of China. Such tactics must be reserved only for the most extreme of circumstances.

Containment by Stealth

The forms of containment just discussed are clearly counterproductive in achieving US interests. A more benign form of containment that America should pursue is one that has great potential to deter and halt Chinese military advances and challenges to America in Northeast Asia and the world, while at the same time avoiding turning China into an enemy. America more or less ensures Taiwan's *de facto* independence, and it already has approximately 100,000 forward deployed troops in China's backyard in South Korea and Japan in order to counter the military threat emanating from North Korea. Thus, the US already has the key components in place needed to keep China boxed up and disallow it from expanding into Northeast Asia, replacing America with itself as the regional hegemon, and acquiring the resources needed to challenge America's current unrivalled global supremacy. Because the support America provides Taiwan is more or less unofficial, and because US forces are already deployed in Northeast Asia for justifiable reasons, America can get away with containing China by stealth without raising suspicions too high in Beijing and turning China into an enemy.

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[134] See Pei.

Do Not Lose Taiwan

America must not under any circumstances allow Taiwan to become reunited with mainland China, whether by force or peaceful means. Having Taiwan on America's side is one of the ways in which the US is already containing China by stealth. Were the Island to become reunited with the Mainland, China would have the ability to more readily project naval power throughout the region and abroad by giving it unencumbered deep blue water access and naval bases located on the island[135]. This would allow China to better secure its oil vessels, as well as to cut off vital sea lanes, especially the Strait of Malacca, which both America and Japan are highly dependent on for their foreign oil shipments[136]. For this reason alone, the loss of Taiwan would constitute a highly significant setback for America. Ensuring that Taiwan maintains its *de facto* independence is a key ingredient to a containment by stealth strategy.

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[135] See Okazaki.

[136] Ibid.; Roy, "Rising China," 128.

Ensure the Continuance of the North Korean Conventional Military Threat

The military threat emanating from North Korea provides the rationale for some 100,000 US troops deployed in both South Korea and Japan. As will be discussed in Chapter 5, America and its allies as well as China all share a keen interest in bringing about the end to North Korea's WMD programs. Likewise, for varying reasons, all of the players in the region wish to avoid the sudden collapse of the regime in Pyongyang. In the context of a containment by stealth strategy, the collapse of North Korea and the resulting end of the military threat may lead to Seoul and Tokyo demanding that US forces leave their territories. The persistence of the military threat emanating from North Korea, however, ensures that US forces can deter and preclude any Chinese regional ambitions that seek to replace America with itself as the regional hegemon. Ensuring the continuance of the North Korean conventional military threat will be a key component to any containment by stealth strategy.

Working with Regional Allies

America's primary allies in Northeast Asia are already highly weary of China's intentions and potential regional hegemonic ambitions. Taiwan fears an invasion or naval blockade; South Korea fears a significant PRC footprint in the Peninsula in the event that the DPRK should collapse; and Japan fears that China will attempt to choke it economically with the seizure of Taiwan. At the same time, all are afraid of aggravating relations with China, upon which their economies are highly dependent. Thus, for them a policy of outright belligerent containment in the economic and political spheres is highly undesirable[137]. They too can greatly benefit from a policy of continued engagement and simultaneous containment by stealth. America will need to work closely with them in dealing with the issues that they face as well as affirming and reaffirming its commitment to help defend its Northeast Asian allies against potential aggression from wherever it may arise.

Conclusion

This chapter argued that, while engagement offers the US many tangible benefits, it is wholly inadequate in precluding China's rise and maintaining America's current unrivalled preeminence. As the previous chapter discussed, structural realist theory posits several expectations as to what China's future behavior might entail, expectations that are arguably already being borne out. In particular, China will continue to strive for more power, translating its tremendous economic growth into military power with which to challenge American preeminence in Northeast Asia and replace it as the regional and perhaps global hegemon. This would have the unfortunate effect of limiting America's range of action in the region, if not the global stage, as well as compromising the benefits that a hegemonic/unipolar international political structure brings. No longer would one state define and enforce the rules on the international political game in the event that China can challenge and rival America as the Soviet Union was once able to do. America might also be less willing to provide the global goods and services that it now provides as its power would be balanced by China. On the other hand, structural realist theory also leads us to expect that America will do whatever is necessary to prevent China from gaining enough power to challenge it in the first place.

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[137] Henry Kissinger concurs when he states on page 135 of *Does America*, "In Asia, barring a major Chinese provocation, the United States would have to conduct a containment policy alone".

President Clinton's engagement policy with China was based on the premise that close contacts in the area of trade would somehow co-opt China down the road and turn it into a responsible member of the international community. Increased trade with China, it was thought, would pressure the CCP to take steps towards political liberalization. This, in turn, would lead China to abandon its regional hegemonic ambitions. The close interdependence between the PRC and the rest of the international trading community would constrain its behavior and would serve as a disincentive to act aggressively and preclude its desire to go to war. The empirical record does not, however, prove that this has yet taken place. For instance, China has not yet taken steps towards political liberalization, nor has it curtailed its harassment of Taiwan as evidence by its continuing deployment of hundreds of missiles across the Taiwan Strait and the recently passed Anti-Secession Law. While China may become pacified in the future, structural realism suggests otherwise, a suggestion supported by the CCP's continued belligerent behavior, both internally and externally.

Containment assumes that China will one day try to challenge America and acts accordingly by precluding its ability to do so now before it is too late someday down the road. For the sake of America's global preeminence, regional and international stability, and for the international system as a whole, the current American administration, as well as those that will take its place, should at once continue to engage with China so as to reap economic and other benefits but should also implement a more benign form of containment that will not turn China into an enemy. Because America ensures at least tacitly Taiwan's *de facto* independence from Mainland China, and because it already has approximately 100,000 troops deployed in Northeast Asia to counter the North Korean threat, the US is able to contain Chinese economic and military growth through a containment by stealth strategy. Managing cross-Strait relations and Peninsular affairs will be key to such a strategy. How America should do this are the topics to be examined in the four chapters that follow.

Chapter 4

Forces of Instability across the Taiwan Strait

This chapter discusses America's role in cross-Strait relations. The status of Taiwan vis-à-vis mainland China has been a contentious issue for over 50 years. Moreover, it is the most likely flashpoint in which American and Chinese forces might find themselves in a war against one another. In order to avoid such a situation from ever occurring and in order for America to contain China by stealth, it is necessary to understand cross-Strait relations as they now stand.

To this end, I provide a two part overview of the China-Taiwan situation and America's role there. In the first section, I discuss the interests of the key players involved, namely the PRC, the Republic of China (ROC or Taiwan), and America. I show that, while China and Taiwan both tolerate the status quo, the former's ultimate objective is to reunify the Island with the Mainland while the latter's ultimate objective is to gain formal independence. America, for its part, wishes for the status quo to be maintained.

In the second section, I discuss the particular ways in which each player has been attempting to advance its interests and how these interests and the ways in which they are being advanced conflict with one another, thereby creating the delicate situation that exists. Specifically, I show how China is attempting to maintain the status quo by deterring the Island from declaring independence but is arguably seeking to reunify the Island through a naval buildup of invasion and blockade capabilities. Taiwan is attempting to maintain the status quo by maintaining its unofficial military alliance with America who provides the Island with extended deterrence against an unprovoked PRC attack as well as various weapon systems and platforms that allow Taiwan to defend itself against any attempted PRC amphibious invasion or naval blockade. As regards the ways in which it is attempting to advance its ultimate objective of attaining formal *de jure* independence, I argue that Taiwan is taking America's support for the Island for granted and is expecting it, perhaps incorrectly, to come to its defense if it declares formal independence. America, for its part, is advancing its interests of maintaining the status quo by diplomatic and military means. As regards the former, America continues to reaffirm the "one China" policy. As regards the latter, America provides extended deterrence to the Island by more or less pledging to come to Taiwan's aid should deterrence fail and the PRC attack it unprovoked. America has also provided Taiwan with the bulk of its military equipment in order to allow it to repel a PRC invasion or counter a PRC blockade. However, America has not made clear whether or not it would come to Taiwan's aid if it declared independence. This 'strategic ambiguity' has had the effect of keeping both the PRC and ROC more or less at bay. Nevertheless, as this chapter suggests, given largely incompatible interests and given the ways in which each player seeks to advance its interests conflict, cross-Strait relations remain tense and will most likely continue to be so for the foreseeable future. Understanding why this is is both the subject of this chapter and the prerequisite to putting forth policy prescriptions in the hopes of reducing tensions across the Strait and containing China by stealth, a task reserved for Chapter 6.

Part I: Interests of the Key Players

For all intents and purposes, Taiwan is a *de facto* independent state separate from mainland China. While during most of the Cold War those states not part of the communist bloc recognized the ROC as the legitimate government of all of China, only a handful of countries do so now. Despite the fact that Taiwan has evolved from an authoritarian state to a democratic and prosperous one that controls all of its domestic affairs, and despite the fact that the CCP has never controlled the Island, it is still considered to be a province of mainland China, albeit a 'renegade' one in the eyes of China's leaders. For diplomatic reasons, every American administration since 1972 has reaffirmed the "one China" principle. This principle stipulates that America (and most other governments of the world) recognizes the CCP as the legitimate government of all of China, Taiwan included. Thus, what we end up with as the current status quo is two entities, the PRC and the ROC, which both have *de facto* independence but only the former has *de jure* independence and diplomatically represents all of China. While both the PRC and the ROC tolerate the status quo, each has ultimate objectives that would require a drastic revision of the status quo.

China

The CCP ultimately wishes to reunify Taiwan politically with the Mainland. From a structural realist perspective, there are two primary reasons for which the reunification of the Island with the Mainland is the PRC's primary interest. The first reason is historical[138]. China experienced what it refers to as a 'century of shame' which began with the 1842 Opium War and which saw China subjugated to outside influences. Taiwan was the first segment of Chinese territory to be taken over by colonists when it was handed over to Japan with the 1895 Treaty of Shimonoseki as a result of its defeat in the Sino-Japanese War. Taiwan is seen by most Chinese as an integral part of China. Not wanting a repeat of the past, the Middle Kingdom desires reunification so as to preclude further subjugation by outside powers. Preventing itself from being divided and weak is vital to ensuring its security.

Reunification would constitute a strategic victory for the PRC. While Beijing more or less tolerates America's presence in Northeast Asia as a force for stability, Beijing ultimately wishes to become the dominant player in the region and reestablish its historical Sino-centric sphere of influence[139]. Some Chinese leaders view America's support of the Island as one of the means by which America is seeking to contain the Middle Kingdom. The reunification of Taiwan with mainland China would be met with the withdrawal of US support for the Island. With America's support for the Island no longer being a factor in the event of reunification, China might find it easier to assert itself in the region and achieve its aspirations of regional, if not global, hegemony[140].

Specifically, the acquisition of Taiwan would provide China with a greater ability to project its power throughout the region if not the world. The People's Liberation Army Navy (PLAN) is currently more or less bottled up. It has blue water access at numerous points along the Mainland coast, to be sure. But the PLAN has great difficulties projecting its power due to the numerous straits its needs to navigate. Possession of Taiwan would provide the PLAN with unencumbered blue water access with which to project its power regionally and globally[141].

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[138] Kissinger, *Does America*, 150; Michael D. Swaine, "Trouble In Taiwan," *Foreign Affairs* 83, no. 2 (2004): 40.
[139] Kissinger, *Does America*, 114.
[140] Ross, "Navigating," 54.

Related to this is that Taiwan is crucial for China's quest for energy security. Whoever controls or has Taiwan on its side has the ability to maintain the safe passage of their seaborne energy shipments as well as to deny the other side access to vital shipping lanes. With Taiwan on America's side, the PRC is dependent on the US Navy to ensure the safe passage of its seaborne energy vessels through vital sea lanes. Resultantly, the US has the ability to more easily cut off China's incoming seaborne energy imports[142]. On the other hand, were the Island to become reunited with the Mainland, China would have additional blue water access which in turn would give it the ability to increasingly project naval power abroad in order to secure its own incoming energy shipments, something it is currently seriously lacking[143]. It would give China a greater ability to deny passage of oil tankers coming from the Persian Gulf to Japan and America[144]. Thus, one must ask whether China's need for energy security, including secure transportation for its energy shipments, will further propel it to augment its naval assets and perhaps take Taiwan[145]. While China has been looking towards Russia and Central Asia as key ways in which to supply itself with significant supplies of energy which can be transported overland in a relatively secure manner, it is estimated that by 2025, approximately three quarters of its energy imports will come by sea, specifically over the Indian Ocean and through the Straits of Malacca[146]. Indeed, considering how 80 percent of China's oil imports go through the Strait, it is understandable that it wishes to ensure the safe passage of its incoming vessels lest it be subjugated to America's cutting the Strait off in the event of a conflict between the two powers[147]. Thus, Sino-American global energy security competition adds another dimension to the already tense Taiwan situation.

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[141] See Appendix.

[142] Erica S. Downs, "The Chinese Energy Security Debate." *The China Quarterly* 177 (March 2004): 26.

[143] For an excellent detailed overview of the importance of Taiwan in reducing the frustration that the PLAN is currently experiencing in the context of energy security, see "China's Worries at Sea," *U.S.-China Economic and Security Review Commission*, 2 January 2004 <http://www.uscc.gov/researchpapers/ 2004/chinaworriesatsea.htm> (10 April 2005).

[144] This goes a long way towards explaining the recent joint US-Japan "common strategic objective" regarding the peaceful resolution of the Taiwan situation. See "US, Japan: Taiwan a common security issue," *China Daily*, 20 February 2005 < http://www.chinadaily.com.cn/english/doc/2005-02/20/ content_417697.htm> (10 April 2005). Likewise, this may also explain the CCP's recent passage of the Anti-Secession Law. See "Full Text of Anti-Secession Law," *People's Daily Online*, 14 March 2005 <http://english.people.com.cn/200503/14/eng20050314_176746.html> (20 July 2005).

Taiwan

The PRC's ultimate objective of reunifying the Island with the Mainland clearly comes into conflict with Taiwan's ultimate objective. Since the Guomindang fled mainland China in 1949, Taiwan has evolved from an authoritarian state to a democratic and highly prosperous one. Because Taiwan made these achievements independent of mainland China, because Taiwan has not been under the political control of the Mainland since 1895, and despite the fact that the people of Taiwan are ethnically Chinese and speak the Chinese language, the Taiwanese people have developed a unique identity distinct from that of the Mainland and are very proud of their accomplishments[148]. As states are the key players in global politics, and as nationalism is what propels a people to desire statehood, Taiwan's ultimate objective is to gain formal independence from the Mainland and become a *de jure* sovereign entity. To be sure, the Island tolerates the status quo as it is much more preferable than reunification with the Mainland. However, in the end the Taiwanese people desire the complete freedom to determine their own affairs and become a formal member of the international system that *de jure* independence brings[149].

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[145] Downs, 21.
[146] Ziad Haider, "Oil Fuels Beijing's New Power Game," *Yale Global*, 11 March 2005 <http://yaleglobal.yale.edu/display.article?id=5411> (3 April 2005).
[147] Chietigj Bajpaee, "China Fuels Energy Cold War." *Asia Times Online*, 2 March 2005 <http://www.atimes.com/atimes/China/GC02Ad07.html> (3 April 2005).

America

America, for its part, desires to maintain the status quo for an indefinite period of time. The US began officially recognizing the CCP as the legitimate government of all of China, Taiwan included, in 1979, and has repeatedly reaffirmed the one China principle since 1972. Despite these diplomatic overtures to the PRC, America has supported the idea of Taiwan maintaining its *de facto* independence. The US does not wish for the PRC to forcefully reunite the Island with the Mainland. Indeed, the 1979 Taiwan Relations Act (TRA) states that America would be against an unprovoked PRC attack against the island. Specifically, the TRA states:

> "It is the policy of the United States…to consider any effort to determine the future of Taiwan by other than peaceful means including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States"[150]

At the same time, America does not wish for Taiwan to declare formal independence, something that President Bush made clear as recently as December 2003[151].

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[148] Kurt M. Campbell, and Derek J. Mitchell, "Crisis In The Taiwan Strait?" *Foreign Affairs* 80, no. 4 (2001): 16; Glosny, 154.

[149] Swaine, 46.

[150] "Taiwan Relations Act," *Taiwan Documents Project*, 1979 <http://www.taiwandocuments.org/tra01.htm> (5 December 2004).

Maintaining the status quo is in America's interest for several reasons. First, America has made other critical security guarantees to its allies and friends in the Northeast Asia. If America did not come to Taiwan's aid in the event of an unprovoked PRC attack, America's security guarantees would appear less credible to these allies[152]. Japan and South Korea have a great sense of insecurity vis-à-vis the North Korean military threat, and fear the potential of China asserting itself more forcefully in the region. America's security guarantees to its allies have more or less allayed those fears and precluded South Korea's and Japan's need to take security matters into their own hands to a greater extent than they do now, an outcome neither America nor anyone else in the region desires. Were they to do so, greater instability in the region could ensue, which is precisely what America is seeking to avoid by virtue of its presence there. Structural realism tells us that, in order for America to maintain legitimacy among its allies in Northeast Asia as the regional hegemon, it needs to provide them with goods and services that they may not be able or not want to provide themselves. Signaling to its allies that it will live up to its security commitments helps reinforce this legitimacy.

Second, maintaining the status quo precludes the possibility of a war that America might find itself dragged into. As will be discussed in greater detail in the following section, were China to attack Taiwan unprovoked, America might intervene; if Taiwan declared independence, China would retaliate, though American intervention on the side of Taiwan would be uncertain. In either case, military conflict between the PRC and the ROC is likely, and in at least one of the cases, US

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[151] Swaine, 39.
[152] Art, 138; Ross, "Navigating," 54; Swaine, 43.

involvement on the side of Taiwan is implied to be almost certain[153]. The potential ramifications of such a conflict between the US and the PRC range from the destruction of some American surface ships and Taiwanese cities, to drastically reduced trade with and investment opportunities in the PRC, to a full-scale nuclear war. As the TRA states, "peace and stability in the area are in the political, security, and economic interests of the United States"[154]. Clearly, then, war is not in America's interest, and currently the best means by which to avoid such a war is by maintaining the status quo.

Finally, maintaining the status quo is a means by which the US is able to contain a rising China without appearing overtly belligerent[155]. America currently does not have an official policy of containment towards the Middle Kingdom as it did towards the USSR during the Cold War. As discussed in the previous chapter, such a policy might quickly turn China into an enemy and may end up being greatly counterproductive to US interests in the region and around the world. As long as the Island maintains US-backed *de facto* independence as it now does, it will be difficult for China to assert itself more overtly in the region, something neither the US nor any other player in Northeast Asia desires. America wishes to have friendly relations with the PRC and reap the benefits of its growing economy, but it also wishes to prevent, or at least delay, China's surge towards great power status which could alter the regional and global status quo and potentially compromise America's global supremacy. Maintaining the status quo is one of the means by which this objective can be attained.

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[153] This, of course, begs the question that the US was often times asked during the Cold War: would America risk escalation and the possible nuclear destruction of one of its cities in order to defend an ally? Indeed, a PLA general and professor at China's National Defense University recently stated that "If the Americans draw their missiles and position-guided ammunition on to the target zone on China's territory, I think we will have to respond with nuclear weapons....If the Americans are determined to interfere (then) we will be determined to respond....We Chinese will prepare ourselves for the destruction of all of the cities east of Xian. Of course the Americans will have to be prepared that hundreds . . . of cities will be destroyed by the Chinese." Edward Alden and Alexandra Harney, "Top Chinese general warns US over attack," *Financial Times*, 15 July 2005.

[154] "Taiwan Relations Act,".

[155] Kissinger, *Does America*, 134; Ross, "Navigating" 83.

What we have, then, are a competing set of interests that have the potential of clashing and leading to a conflict in which all three players might find themselves involved. While both China and Taiwan tolerate the status quo and America's objective is to maintain it for an indefinite period of time, clearly China's ultimate objective of reunifying the Island with the Mainland and Taiwan's ultimate objective of gaining formal independence are incompatible.

Part II: Advancing Conflicting Interests

The previous section discussed the interests of the key players. This section discusses how each player endeavors to advance its various interests and to show how these interests, and the ways in which they are being advanced, conflict thereby making the situation as delicate and potentially explosive as it is today. Doing so will serve as the basis upon which to critique America's policies, and provide policy prescriptions conducive to American interests, tasks reserved for Chapter 6.

At a minimum, China wishes to maintain the status quo. That is, it does not want to lose Taiwan through a formal declaration of independence or rejection of the one China principle. The primary means by which it is advancing this interest is by deterrence. China's leaders have made it clear that they would retaliate with military force should the Island declare independence from the Mainland[156]. Indeed, despite Taiwanese calls for the PRC to renounce the use of force, the PRC has not done so. If it did, the PRC would be removing the key element of its strategy to deter the Island from declaring independence[157].

Beijing's deterrence policy is based on making the costs of Taiwan declaring independence appear to far outweigh any benefits that may be reaped by the Island doing so. This task is achieved primarily through the deployment of hundreds of DF-11 and DF-15 SRBMs in Fujian province, directly adjacent to Taiwan across the Strait. Some US intelligence reports even suggest that by 2010, the PRC will have approximately 650 DF-15 SRBMs deployed there[158]. While these missiles are reportedly conventionally armed and not very accurate, they do have the ability to reach the island and unleash mass destruction and spread fear and panic. By deploying these missiles and making the threat to use them in the event of a ROC declaration of independence, the PRC has thus far arguably been able to maintain the status quo and prevent the loss of Taiwan.

The credibility of China's deterrent posture was reinforced in March of 1996. At that time, Taiwanese presidential candidate Lee Deng-hui called for independence and made other polemical remarks. In response, the PRC 'test fired' several of its missiles and targeted them to hit the sea near Taiwanese ports. This clearly demonstrated to Taiwan that Beijing was determined to prevent independence and should it one day actually declare independence, its missiles might not land near ports, but rather on the island itself[159].

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[156] For instance, the recently passed Anti-Secession Law states that "In the event that the "Taiwan independence" secessionist forces should act under any name or by any means to cause the fact of Taiwan's secession from China, or that major incidents entailing Taiwan's secession from China should occur, or that possibilities for a peaceful reunification should be completely exhausted, the state shall employ non-peaceful means and other necessary measures to protect China's sovereignty and territorial integrity." See "Full Text of Anti-Secession Law,".

[157] Roy, "Tensions," 89; Swaine, 41.

[158] Ross, "Navigating," 78.

The March 1996 missile crisis and its aftermath also made clear to Beijing, however, one of the means by which America is attempting to maintain the status quo, namely the provision extended deterrence to the island. As the 1979 TRA states:

> "The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger"[160].

This has arguably had the effect of deterring Beijing from attempting to seek a military solution to the Taiwan question, for surely PRC leaders know that the Mainland would be left worse off in a direct military conflict with America than if it had not attacked the Island in the first place[161]. Because America has never made explicitly clear what tools out of its huge military arsenal it would bring to bear if the PRC attacked the Island, this has the effect of forcing Beijing to act with extreme caution, for it does not know what sort of response may be elicited by its own use of force. President Clinton's dispatching of two aircraft carrier task groups into the Strait during the March 1996 missile crisis was arguably commensurate with the low-level show of force on the part of the PRC. It also signaled to Beijing that more provocative acts may elicit a bigger response[162]. America's extended deterrent to Taiwan thus urges Beijing to act prudently. However, considering that China's missile 'tests' were a response to Lee Deng-hui's calls for independence, America's coming to Taiwan's aid may have served to give confidence to the Island that it would also do so if the Island declared outright independence. It also forced PRC political and military leaders to address the cross-Strait military balance and consider their options. Generally, however, America has not made it explicitly clear whether or not it would come to Taiwan's defense if Taipei declared independence. It is this 'strategic ambiguity' that keeps both the PRC and ROC at bay and makes them think twice before attempting to achieve their respective ultimate objectives.

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[159] Ross, "Navigating," 63; Roy, "Tensions," 80.

[160] "Taiwan Relations Act,".

[161] Zbigniew Brzezinski concurs when he states on page 46 in "Clash," that "It is hard to envisage how China could promote its objectives when it is acutely vulnerable to a blockade and isolation enforced by the United States. In a conflict, Chinese maritime trade would stop entirely. The flow of oil would cease, and the Chinese economy would be paralyzed.".

[162] Roy, "Tensions," 88.

While Beijing's strategy of deterrence has arguably served to maintain the status quo by deterring Taiwan from declaring independence, this strategy does not come without implications. Indeed, one of the other means by which America endeavors to maintain the status quo is through the provision of defensive equipment to the Island. For instance, the PRC missile threat has served to make Taiwan feel increasingly more insecure vis-à-vis mainland China. As a result, Taipei has shown interest in acquiring BMD and/or related technology from America[163]. PRC leaders have expressed their opposition to BMD as it is seen as a means by which Beijing's deterrent can be eroded[164]. If BMD can successfully defend against a PRC ballistic missile attack, then the Mainland will no longer have the means to deter the Island from declaring independence. Realization of this fact may embolden Taipei to seek independence, feeling confident that it would be able to nullify a PRC retaliatory strike. In turn, Beijing may increase its deterrent capabilities so as to overwhelm BMD, something that it is arguably already in the process of doing[165]. An arms race may ensue and instability across the Strait may increase. Furthermore, Beijing may see, perhaps correctly, the sale of BMD and related technology transfers as a sign of closer military cooperation between Washington and Taipei, something that it is decidedly against[166]. And again, Taiwan may perceive this closer military cooperation between itself and America as a sign that America would support it even if it did begin a conflict with the PRC by provoking it through a declaration of independence. Such a perception could lead Taipei to feel further emboldened and as a result, it may declare independence, feeling that America would come to its defense. Thus, while Beijing's deterrent strategy has arguably served to maintain the status quo, it is not without potential repercussions that may alter the status quo, perhaps with disastrous consequences.

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[163] Ross, "Navigating," 48, 82.
[164] Ibid., 82; Urayama, 125.
[165] Ross, "Navigating," 83.

Beyond its deterrence strategy to maintain the status quo, the primary military means by which the PRC is seeking to advance its ultimate objective of revising the status quo by reunifying the Island with the Mainland is through coercion and force. Currently, the PRC does not have the means to successfully invade the Island and reunify it with the Mainland. Indeed, most analysts suggest that it will not possess such capabilities for at least 10 more years[167]. In addition to problems associated with the Island's geography which is not conducive to amphibious landings[168], the PRC does not possess sufficient invasion capabilities to begin with: it lacks sufficient troop and heavy equipment airlift and sea transport capabilities; it does not have the means to achieve air dominance over the skies of the Strait needed to protect its invasion forces; and its missiles are not accurate enough to take out Taiwan's defenses, airfields, and command, control, and communications (C3) nodes[169]. And though deteriorating, the ROC has substantial defenses that could fend off invading PRC forces[170]. Moreover, Taiwan would in all likelihood be warned in advance of an incoming invasion by US intelligence and would thereby have sufficient time to prepare[171]. There are signs, however, that suggest that Beijing is seeking to address its lack of invasion capabilities through various procurement programs and reviews of training and doctrine[172].

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[166] Christensen, 38; Ross, "Navigating," 82; Urayama, 126; Ward, 42.
[167] Glosny, 126; Goldstein and Murray, 179; Roy, "Tensions," 77.
[168] Roy, "Tensions," 82.

The more probable means by which the PRC will attempt to achieve its objective of reunification in the short term is to coerce the island into submission through a submarine blockade of the Island[173]. Because Taiwan is so dependent on imports[174], Beijing believes that it can force Taiwan to submit to reunification or force it to reverse a declaration of independence by choking its economy and life-support lines[175]. It has been suggested, for instance, that were incoming vessels torpedoed by PRC naval forces, insurance rates for vessels headed to Taiwan may increase dramatically, thereby increasing the cost for companies wishing to export products to the Island[176]. As a result, incentives to ship items to the Island could be drastically reduced and Taiwan would feel the stranglehold of the PRC's blockade. While the ability, or lack thereof, for the PRC to successfully blockade the Island and force it to submit to its demands in the near term has been widely debated[177], it is clear that this is the primary means by which Beijing is seeking to forcibly reunify the Island with the Mainland in the short-term.

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[169] Christensen, 25; Ross, "Navigating," 79; Roy, "Tensions," 82-84.
[170] Roy, "Tensions," 89; Shambaugh, "Sino-American," 103.
[171] Ibid., 83.
[172] Campbell and Mitchell, 17; Goldstein and Murray, 173-177, 187-194.
[173] Christensen, 29-32; Glosny; Goldstein and Murray; Michael E. O'Hanlon, *Defense Policy Choices for the Bush Administration 2001-2005* (Washington, D.C.: Brookings Institution Press, 2001): 177-226.
[174] "Economy of Taiwan," *Wikipedia* <http://en.wikipedia.org/wiki/Economy_of_Taiwan> (20 July 2005).
[175] Glosny 129; Goldstein and Murray 186; Roy, "Tensions," 87.
[176] Glosny, 147.

There is substantial evidence that support the increasing salience of this emerging strategy in the minds of China's political and military leaders, namely its extensive naval capabilities procurement and modernization program, particularly its focus on submarines. In 2002, the PRC signed a US$1.6 billion contract with Russia to receive eight Kilo-class diesel submarines in the 2005-2007 time frame[178]. It is also stepping up production of its indigenously produced Song submarines, as well as Type 093 nuclear attack submarines (SSN) and Type 094 ballistic missile submarines (SSBN)[179]. It already possesses three Kilo-class submarines, thirty old Romeo and twenty Ming submarines and nine Song submarines[180]. This constitutes a force of sixty three submarines plus the eight Kilo-class submarines to be received from Russia in a few years. Additionally, it is receiving other assets from Russia, such as SU-27 and SU-30 fighter jets, destroyers, and various weapon systems for all of those platforms[181].

Unfortunately, in international relations actions by one state often times elicit reactions (or overreactions) by others. This is especially the case when one state's capabilities are one of the few means by which to judge its intentions. As a result, and as discussed above, one of the means by which both Taiwan and the United States are attempting to maintain the status quo in the face of apparent attempts by the PRC to revise it is through the transfer of various weapon systems and platforms from America to the Island. Indeed, the TRA stipulates that "the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability"[182]. As already mentioned, China will be unable to successfully invade the Island for at least the next ten years. This is so not only because the PRC does not yet possess the required amphibious capabilities needed for an invasion, but it is also due to the various weapon systems and platforms that Taiwan has purchased and will continue to purchase from America which can be used to defend against any attempted invasion. Its air force, for instance, is vastly superior to the PRC's. As such, it would deny the PRC the ability to establish air dominance over the Strait, a key necessity for any successful invasion.

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[177] Goldstein and Murray; O'Hanlon, 177-226.
[178] Goldstein and Murray, 162, 165.
[179] Ibid., 162, 165, 171-172.
[180] Ibid., 165.
[181] Campbell and Mitchell, 17-18; Christensen, 25.

Taiwan is also acquiring capabilities from America that may prove critical in helping it counter a PRC naval blockade[183]. As of now, Taiwan does not possess adequate anti-submarine warfare (ASW) capabilities[184]. However, it is in the process of making arrangements to receive various ASW assets from the US along with other counter-blockade capabilities. These include "diesel submarines, Kidd-class destroyers, P-3 anti-submarine aircraft, advanced torpedoes, minesweeping helicopters", and it is requesting Aegis equipped Arleigh Burke-class destroyers[185]. Despite the fact that many analysts contend that these and other potential acquisitions may still not allow Taiwan to counter a PRC blockade on its own, and will not do enough to redress to the cross-Strait military balance[186], it does appear that both Taiwan and America are taking notice of China's attempts to acquire the capabilities that would allow it to revise the status quo and are taking steps to prevent it from doing so.

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[182] "Taiwan Relations Act".
[183] Ross, "Navigating," 82.
[184] Glosny, 157; Goldstein and Murray, 181.
[185] Campbell and Mitchell, 18.

Unfortunately, these steps may end up playing a role in the way in which Taiwan seeks to attain its ultimate objective of formal independence. It would seem that, based on various statements and actions of the current and former ROC presidents (Chen Shui-ben and Lee Deng-hui respectively), that some of Taiwan's leaders are feeling increasingly emboldened by America's extended deterrent and its various weapon acquisitions, to push harder for independence. The current ROC president advocates formal independence, even mentioning on 3 August 2002 "one country on each side"[187]. Recently, he has suggested holding a referendum to condemn the PRC missile threat and its refusal to renounce the use of force over the island, and a massive protest took place in Taipei over the Mainland's recent passage of the Anti-Secession Law[188]. The former president of Taiwan made equally bold pronouncements, stating his desire to move away from the one China principle, that he considers Taiwan a separate state, and that the ROC will only negotiate with the PRC on a state-to-state basis, thereby implying that Taiwan is an independent and sovereign entity[189].

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[186] Goldstein and Murray, 181.
[187] "U.S. distances itself from Chen remarks," *Cnn.com*, 8 August 2002 <http://www.cnn.com/2002/WORLD/asiapcf/east/08/07/Taiwan.china.us/index.html> (20 July 2005).
[188] Richard Chang, "'Anti-Secession' Law peace protest mostly peaceful," *Taipei Times*, 27 March 2005 <http://www.taipeitimes.com/News/taiwan/archives/2005/03/27/2003247949> (21 July 2005).
[189] Roy, "Tensions," 76.

Thus, while Beijing has repeatedly made it clear that a Taiwanese declaration of independence would be met with a military response, it seems that ROC leaders are taking America's security guarantee for granted, despite the fact that it is wholly unclear whether or not America would come to its aid if it declared independence[190]. Perhaps ROC leaders also underestimate Beijing's desire to overturn by force any Taiwanese declaration of independence, even if it involves a potentially ruinous military clash with America[191]. Whatever the case, it seems that the way in which the ROC is trying to advance its ultimate objective of attaining *de jure* independence is by assuming (perhaps incorrectly) that its defensive capabilities could defend against a PRC retaliatory strike in response to a declaration of independence, and/or that America would come to its defense if it undertook this decidedly provocative act.

Conclusion

This chapter discussed the interests of China, Taiwan, and America with regards to cross-Strait relations, the ways in which each player has sought to advance its interests, and the ways in which these interests conflict. It is clear that cross-Straight relations remain potentially volatile, and insecurity and instability across the Strait may increase over time. China is attempting to maintain the status quo by preventing the loss of the Island through its ballistic missile deterrent strategy. In response, however, Taiwan is showing interest in BMD, which could lead the Island to think that it could nullify a PRC missile attack and thus allow it to declare independence. In turn, the PRC is seeking to reestablish deterrence dominance over the Island by increasing its missile capabilities. Additionally, Beijing is improving its naval capabilities, which, one day, would allow the PRC to reunify the Island with the Mainland or reverse a Taiwanese declaration of independence through an invasion of the Island, but more likely through a naval blockade. As America wishes to maintain the status quo, it has been providing the Island with extended deterrence, but also with military equipment that would allow Taiwan to defend itself against PRC aggression. However, this may have the negative effect of making Taiwan feel overly confident that it could defend itself against such aggression and/or that America would come to its defense. This line of thinking may lead Taipei to declare independence, the potential ramifications of which could be catastrophic. The forces for instability are evident and may increase in salience as each player endeavors to advance its interests. Critiquing the policies that have lead to this instability and providing prescriptions as to how they can be properly addressed are tasks reserved for Chapter 6.

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[190] Campbell and Mitchell, 22; Ross, "Navigating," 51-52; Roy, "Tensions," 92; Swaine, 44.
[191] Swaine, 42.

Chapter 5

Instability on the Korean Peninsula

This chapter examines the delicate situation that exists on the Korean peninsula, what North Korea and America's interests are, and how it relates to Sino-American relations. In the first part, I examine the Democratic People's Republic of Korea's (DPRK, or North Korea) primary interest, namely that of ensuring its own survival and the reasons for which this is an especially difficult task for Pyongyang. This is followed by a discussion of the means by which it has been endeavoring to achieve this objective. In the second part, I discuss America's primary interests in the Korean peninsula, which include seeing the full dismantlement of North Korea's WMD programs and the prevention of a sudden collapse of government in Pyongyang.

Part I: North Korea's Interests

Like all states in the condition of international anarchy, North Korea's primary interest is to ensure its own survival in the face of external threats, whether real or perceived[177]. This task, however, is rendered all the more difficult for the DPRK for several reasons. First, the Korean War is officially not ended. The ceasefire agreement signed in 1953 by North Korea and US-allied forces has not yet been replaced with a permanent peace agreement. As a result, approximately 37,000 American troops are stationed just south of the demilitarized zone (DMZ) in supplement the Republic of Korea's (ROK, or South Korea) 560,000 troops[193]. Thus, Pyongyang's main desire is to obtain a non-aggression treaty with America in order to eliminate what it perceives to be a very real threat to its very existence.

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[177] Victor D. Cha notes how "Pyongyang's end game has changed from seeking hegemonic unification to ensuring basic survival and averting dominance by the South." Victor D. Cha, "Hawk Engagement and Preventive Defense on the Korean Peninsula," *International Security* 27, no. 1 (2002): 50.

Second, North Korea is incredibly isolated from the rest of the world. During the Cold War, the Soviet Union and China were the DPRK's largest sources of financial aid and moral support. In 1990 and 1992, however, both Russia and China respectively ceased providing the regime with the large scale assistance that they had hitherto been providing it when they normalized relations with South Korea. To be sure, though relations between China and the DPRK are not as strong as they once were and are strained in many respects, China remains North Korea's closest ally[194]. However, Beijing's former security guarantee to North Korea is now considered irrelevant for all intents and purposes, as is Russia's former security guarantee. Without significant security guarantees from its quasi-allies, North Korea's isolation leaves it feeling incredibly insecure and vulnerable.

Third, due to Pyongyang's lackluster internal balancing efforts, North Korea has an incredibly weak economy, with total collapse often times seeming imminent. Despite its feeble attempts at internal balancing by enacting modest economic reforms in 2002[195], North Korea's economy is for all intents and purposes in shambles. Its infrastructure, for instance, has been severely degraded since the end of the Cold War[196]. The decrepit and inefficient state of its electricity transmission infrastructure is such that power blackouts are a common occurrence throughout the country, affecting both citizens and industries alike. As a result, its industries have not been able to run at full capacity due to energy deficiencies[197]. In conjunction with poor harvests, famine and malnutrition have been rampant, with some estimates indicating that between hundreds of thousands and 3 million North Koreans have perished since 1995 due to starvation[198].

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[193] For a detailed overview of South Korea's armed forces, see Hickey, 169-194.

[194] David Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," *The Washington Quarterly* 26, no. 2 (2003): 43-[illegible].

[195] For an overview of the 2002 economic reforms, see Yinhay Ahn, "North Korea in 2002: A Survival Game," *Asian Survey* 43, no. 1 (2003); Victor D. Cha and David C. Kang, "Can North Korea be Engaged? An Exchange between Victor D. Cha and David C. Kang," *Survival* 46, no. 2 (2004): 90-91; Kyung-Ae Park, "North Korea in 2003: Pendulum Swing between Crisis and Diplomacy," *Asian Survey* 44, no. 1 (2004).

Despite these hardships, and despite the regime's ideology of *juche* (self-reliance), the DPRK has managed to survive under the rule of "Dear Leader" Kim Jong Il, largely through foreign aid and humanitarian assistance, with America and China being its largest contributors[199]. Additionally, the regime survives from the export of contraband items, namely WMD and related technologies. Thus, North Korea's poor economy makes more difficult its ability to ensure its survival, thereby further adding to its insecurity.

Achieving Interests: Conventional and Unconventional Military Threats

Without any significant allies, North Korea has had to rely primarily on internal balancing in order to ensure its survival in the face of what it considers a very real threat to its existence across the DMZ. The primary means by which the DPRK has sought to ensure its survival has been through military capabilities. Despite the reduced readiness of its armed forces and its reduced ability to wage a protracted war due to the state's ailing economy, the conventional military threat that North Korea poses to the ROK and US forces stationed there is quite significant The DPRK is home to the world's fifth largest army[200]. Over 1 million troops are stationed just north of the DMZ, as are hundreds of tanks and aircraft, and thousands of artillery pieces. Fortunately, since the end of the Korean War in 1953, US and ROK forces have arguably deterred a second North Korean invasion of the South just as North Korea has arguably deterred a US/ROK invasion of the North. Tensions along the DMZ remain high however. The bulk of both side's forces are deployed in close proximity to the DMZ. The specter of war breaking out on the Peninsula is ever-present and its outbreak is not outside the realm of possibility. Despite the DPRK's numerical advantage in troops, US and ROK forces maintain a significant qualitative advantage[201]. Should war break out on the Peninsula, US and ROK forces would prevail and would in all likelihood bring about the end of the North Korean regime[202]. But the war would be a bloody one[203]. Seoul would most likely be obliterated by the thousands of artillery pieces currently pointed directly at it[204]; Japan may be attacked with ballistic missiles possibly armed with WMD.

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[196] One report notes that "coal-fired power plants have been running well under capacity in recent [illegible]

[197] Kimberly Ann Elliot notes how "capacity utilization in manufacturing is probably no higher than 50 percent to 60 percent and may be as low as 30 percent because of petroleum shortages and general inefficiency in the energy sector." Kimberly Ann Elliot, "Will Economic Sanctions Work Against North Korea?" in *Peace and Security in Northeast Asia: The Nuclear Issue and the Korean Peninsula*, eds. Young Whan Kihl and Peter Hayes (London: M.E. Sharpe, 1997), 190.

[198] David Reese, "The Prospects for North Korea's Survival," *Adelphi Paper* 323 (1998): 30.

[199] Until the American-led war in Afghanistan in 2001, the DPRK received the most food aid out any country in the world. See James Miles, "Waiting Out North Korea," *Survival* 44, no. 2 (2002): 45.

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[200] For a detailed overview of North Korea's armed forces, see Hickey, 195-223.

[201] Ibid., 170.

[202] Ibid.

[203] Stossel notes how "Pentagon experts estimated that the first ninety days of such a conflict might produce 300,000 to 500,000 South Korean and American military casualties, along with hundreds of thousands of civilian deaths." Scott Stossel, "North Korea: The War Game," *The Atlantic Monthly* 296, no. 1 (2005): 98.

[204] Ibid., 102.

Probably the worst aspect of North Korea with respect to regional stability pertains to its WMD programs. Pyongyang's flirtations with WMD go back at least a couple of decades[205]. The most significant developments with regards to its WMD programs began in the early 1990s and continue to this day. In 1985, North Korea signed the Nuclear Non-Proliferation Treaty (NPT). It required all members to sign a 'safeguards agreement' which Pyongyang finally did in 1992. The safeguards agreement required Pyongyang to give International Atomic Energy Agency (IAEA) inspectors access to all of its nuclear facilities, as well as to make a declaration of its nuclear capabilities. Pyongyang refused to allow IAEA inspectors access to suspected nuclear waste facilities that would have given the inspectors a better indication of the extent of North Korea's nuclear program. In response to a threat by the IAEA to report the violation to the United Nations Security Council (UNSC), North Korea threatened to withdraw from the NPT, thereby eliminating any obligations it had. In response, the UNSC passed resolution 825 in May 1993 which demanded that Pyongyang not renounce the NPT and adhere to its obligations[206]. With the signing of the Agreed Framework in 1994, North Korea eventually decided to remain party to the NPT and submit to IAEA inspections along with its decision to freeze its nuclear activities at Yongbyon[207]. In return, the newly formed Korean Peninsula Energy

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[205] Braun and Chyba claim that North Korea's plutonium reprocessing program began in 1989. Chaim Braun and Christopher F. Chyba, "Proliferation Rings: New Challenges to the Nuclear Nonproliferation Regime," *International Security* 29, no. 2 (2004): 9.

[206] For the full text of this resolution, see "Resolution 825" *Security Council Resolutions, 1993* <http://daccessdds.un.org/doc/UNDOC/GEN/N93/280/49/IMG/N9328049.pdf?OpenElement> (19 July 2005).

[207] A Central Intelligence Agency (CIA) report claimed that the DPRK was able to extract sufficient plutonium for the creation of two nuclear weapons before shutting down the reactor. Central Intelligence Agency, "Unclassified Report to Congress on the Acquisition of Technology Relating to Weapons of Mass Destruction and Advanced Conventional Munitions, 1 July Through 31 December

Development Organization (KEDO) pledged to supply the DPRK with two Light Water Reactors (LWR) for peaceful energy supply purposes and 500,000 tons of fuel per year until the until construction of the LWRs was complete as part of the Agreed Framework between it, America, China, Japan, and South Korea[208].

In early October 2002, however, US envoy Assistant Secretary of State James Kelly confronted the DPRK Vice-Foreign Minister Kang Sok Ju with evidence that it was running a clandestine nuclear program based on highly enriched uranium (HEU) in violation of its prior agreement not to resume nuclear activities. The regime admitted to doing so. It subsequently reactivated the 5 MW Yongbyon reactor in an apparent attempt to restart plutonium production and removed that reactor's monitoring cameras and safeguard seals. Then, on 10 January 2003, it announced its withdrawal from the NPT. It restarted building the 50 megawatt (MW) reactor at Yongbyon and the 200 MW reactor at Taechon[209]. Finally, in early 2005, the regime clearly and unambiguously declared itself a nuclear state[210]. It is suspected of possessing at least one or two nuclear weapons[211].

2001" *Nuclear Threat Initiative*, <http://nti.org/e_research/official_docs/cia/cia_cong_wmd.pdf> (30 April 2005).

[208] For comprehensive overviews of the LWR part of the bargain, see Salomon Levy, "Supply of Light-Water Reactor(s) to Pyongyang: Technological Issues and Possible Solutions," in *Peace and Security in Northeast Asia: The Nuclear Issue and the Korean Peninsula*, eds. Young Whan Kihl and Peter Hayes (New York: M.E. Sharpe, 1997), 17-24; and Peter Hayes, "Supply of Light-Water Reactors to the DPRK," in *Peace and Security in Northeast Asia: The Nuclear Issue and the Korean Peninsula*, eds. Young Whan Kihl and Peter Hayes (New York: M.E. Sharpe, 1997), 25- 52.

[209] "Timeline: North Korea's Nuclear Weapons Development," *Cnn.com*, 17 July 2003 <http://edition.cnn. com/2003/WORLD/asiapcf/east/02/07/nkorea.timeline.nuclear/> (19 July 2005).

[210] Anthony Faiola, "N. Korea Declares Itself a Nuclear Power," *Washington Post*, 10 February 2005 <http://www.washingtonpost.com/wp-dyn/articles/A12836-2005Feb10.html> (28 April 2005).

[211] Gary Samore writes "By summer 2003, barring major technical mishaps, North Korea will be able to extract enough plutonium from spent nuclear fuel for up to half a dozen nuclear weapons, to add to its current suspected stockpile of one or possibly two nuclear weapons. Over the next few years, North Korea could complete facilities capable of producing sufficient plutonium and highly enriched uranium for up to a dozen nuclear weapons annually." Gary Samore, "The Korean Nuclear Crisis," *Survival* 45, no. 1 (2003): 7.

North Korea's ballistic missile program goes back as far as the 1980s. In May of 1993, it successfully tested its 1500-kilometer range No-dong 1 missile which landed 500 kilometers away into the Sea of Japan. Most significantly, on 31 August 1998, it flight-tested its two-stage Taepo-dong 1 medium range ballistic missile with a range of approximately 2000 kilometers over Japan. The first stage fell into the Sea of Japan while the second stage and its warhead fell near the Saniku coast. The regime is currently suspected of developing the Taepo-dong 2 with an estimated range of 4000-6000 kilometers, capable of hitting the Aleutians in Alaska and western Hawaii. With modifications, the Taepo-dong 2 could hit most, if not all, of the continental US[212].

Possible Reasons for North Korea's WMD

There are several possible reasons for which North Korea has sought and continues to seek WMD. First, the regime fears an attack by US and ROK forces. This fear is somewhat understandable from its point of view. In the aftermath of 11 September 2001, president Bush labeled North Korea as being part of an "axis of evil". The Bush administration's National Security Strategy argues that America will not wait around for threats to materialize and America to be attacked. Rather, America will henceforth reserve the right to strike others preemptively[213]. This element of what has come to be known as the "Bush Doctrine" was put into practice in early 2003 when America invaded Iraq[214].

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[212] James M. Lindsay and Michael E. O'Hanlon, *Defending America: The Case for Limited Ballistic Missile Defense* (Washington D.C.: Brookings Institution Press, 2001): 59-62.
[213] See "The National Security Strategy of the United States of America," *The White Hquse*, 17 September 2002 <http://www.whitehouse.gov/nsc/nss.html> (20 July 2005).

In conjunction with its conventional military forces, it would seem that the regime desires these weapons for deterrence purposes. As stated above, though North Korea's conventional forces are quantitatively superior to US/ROK forces, they are qualitatively inferior. The procurement of WMD, therefore, is a way to supplement its conventional forces and reinforce its deterrence posture. Already being able to strike all of Japan and the ROK and soon America with ballistic missiles perhaps armed with WMD, conventional wisdom posits that its ability to do so would deter America and its allies from ever acting towards it in an aggressive manner.

Second, the development of WMD is one of the means by which the regime has been able to blackmail America and other concerned parties to come to the bargaining table and negotiate a new status quo favorable to itself[215]. Whenever the regime perceives the status quo to be relatively undesirable, it resorts to acts of belligerence small enough not to lead to war, but big enough to attract attention, make its grievances known, and bring America and other concerned parties to the negotiating table by using its WMD and WMD programs as bargaining chips and leverage in an effort to get its demands fulfilled. The regime knows well the stake that America and others in the region have in curbing WMD proliferation. Pyongyang has been able to exploit this fact time and again to its benefit. This behavior is exemplified by the nuclear crisis of 1992-1994 that it engineered and the "test" firing of its Taepo-dong 1 over Japan in 1998. In the latter case, subsequent negotiations led to the Berlin Agreement in 1999 in which North Korea agreed to a moratorium on further missile tests until 2003. In return, America agreed to lift several economic sanctions[216].

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[214] In response to the war in Iraq, the official Korean Worker's Party newspaper stated that "It is becoming certain that, in case the U.S. imperialists' invasion of Iraq is successful, they will wage a new war of aggression on the Korean Peninsula." Quoted in Park, 140.

[215] Victor Cha refers to this strategy as "coercive bargaining". Cha, "Hawk Engagement," 45.

Finally, the DPRK is a known proliferator[217]. The export of ballistic missiles, WMD, and their associated technologies has served as one of the regime's few sources of foreign currency[218]. It has been reported, for instance, that in 1997-1998, North Korea traded some of its No-dong 1 ballistic missiles to Pakistan in exchange for gas-centrifuge uranium enrichment technology[219]. In December 2002, it was caught shipping 15 Scud missiles to Yemen[220]. And as Frum and Perle state, "As recently as March, April, and May 2003, representatives of the Iranian government visited North Korea to seek assistance for their nuclear program"[221].

Part II: America's Interests

America has two broad sets of interests with regards to the situation on the Korean peninsula, one relating to Pyongyang's WMD programs and the prevention of regime collapse, and the other relating to Sino-US relations. In the case of the former, America, along with all other concerned parties in the region, all share the same basic interests when it comes to North Korea. First, America, China, Japan, and South Korea all wish to see the complete dismantlement of and end to North Korea's WMD programs[222]. At the same time, America and the other concerned players in the region desire to prevent the sudden collapse of the regime. America and the other players in the region share this interest as the costs of unification would be tremendous, a humanitarian crisis might ensue, and the status of US forces on the Peninsula (and in Japan) would be called into question. This last point, however, is highly significant in terms of America's interests pertaining to Sino-US relations. The departure of US forces from Northeast Asia would constitute a significant setback in any attempt to contain China's power by stealth. Additionally, while it is greatly in America's interest to bring an end to North Korea's WMD programs, it is also desirable for the conventional military threat that the DPRK poses to endure as this provides the rationale for the continued presence of US forces in Northeast Asia.

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[216] Selig S. Harrison, "Time to Leave Korea?" *Foreign Affairs* 80, no. 2 (2001): 63.

[217] Braun and Chyba consider North Korea part of a "proliferation ring" which consists of "the exchange of nuclear weapons-related and missile technology among several developing countries". A significant negative implication of these proliferation rings, according to Braun and Chyba, is "the full development of such proliferation rings, unless unchecked, will ultimately render the current export control regimes moot, as developing countries create nuclear-weapons and delivery systems technologies and manufacturing bases of their own, increasing…trade among themselves for the capabilities that their individual programs lack." Braun and Chyba, 6.

[218] Pinkston and Sanders go as far as to suggest that "ballistic missiles are arguably North Korea's single most competitive export product." Daniel A. Pinkston and Phillip C. Saunders, "Seeing North Korea Clearly," *Survival* 45, no. 3 (2003): 85.

[219] Samore, 10.

[220] Bertil Lintner, "North Korea's Missile Trade Helps Fund Its Nuclear Program," *Yale Global*, 5 May 2003 <http://yaleglobal.yale.edu/display.article?id=1546> (26 April 2005).

[221] David Frum and Richard Perle, *An End To Evil: How To Win The War On Terror* (New York: Random House, 2003): 45.

Dismantlement of North Korea's WMD

North Korea's WMD programs pose great challenges for regional security in general and American interests in particular. WMD are inherently very dangerous weapons. A strictly conventional military campaign on the Peninsula would be atrocious enough for all sides involved. If the regime felt that it was sufficiently backed up against the wall and had nothing to lose, it might just initiate a WMD attack against any number of targets, including South Korea where tens of thousands of America troops are deployed and/or Japan. Millions could be slaughtered in such an event.

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[222] Ward, 48.

As discussed above, North Korea can use its WMD and WMD programs as a way to blackmail and coerce its neighbors and America. America must not allow itself or its allies to be pushed around if it is to maintain the semblance of being the regional and global hegemon. Allowing this to occur may also encourage other proliferators and would-be proliferators to adopt the same coercive bargaining strategy if they see North Korea making gains. It is entirely possible that Iran has seen the various benefits and concessions that North Korea has been able to extract from America and other concerned parties by using its WMD programs as sources of blackmail and bargaining chips. America has a strong interest, therefore, in not allowing itself to be coerced by rogue states and showing the rest of the world that the pursuit of WMD is not the way to go about being a responsible member of the international system. Moreover, this method of bringing concerned parties to the negotiating table by engineering crises is highly risky as it could lead to miscalculation or could escalate to war. During the 1994 nuclear crisis, for instance, the Clinton administration considered launching strikes against North Korea[223].

The attacks on America on 9/11 made abundantly clear the threats that the US faces and the lengths to which its enemies are willing to go in order to unleash horrific ruin upon the American homeland. The attacks on that fateful day necessitated a reexamination of the dangers of WMD in light of the terrorist threat. Thus, another important reason for which America has a strong and urgent interest in seeing North Korea fully dismantle its WMD programs is that these weapons and their associated technologies can fall into the hands of terrorists and/or states hostile to America. Given the DPRK's open disdain for America, along with its dire need for hard currency, it is entirely possible that the regime may wish to sell these weapons and/or their technologies to terrorists who would have no qualms whatsoever of using them against the US and/or its allies. Considering North Korea's willingness to sell its WMD and related technologies to almost anybody willing to purchase them, the potential of a terrorist organization acquiring these weapons and technologies from the DPRK is not at all outside the realm of possibility. The consequences would be unimaginable[224].

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[223] Stossel, 99.

The DPRK's WMD can lead to further proliferation in the region, especially if South Korea and Japan feel the need to develop their own WMD to offset those of North Korea. Fortunately, America's presence in the region has served to curb the further spread of WMD by virtue of the security guarantees it has with its two major allies. Under America's security umbrella, South Korea and Japan will have no reason to develop their own nuclear capabilities to offset that of North Korea's. If, however, America is seen as not being able to adequately ensure South Korea's and Japan's security, either as a result of being coerced by North Korea or whatever, Seoul and Tokyo may have to resort to developing their own WMD deterrence forces. A region as economically important as Northeast Asia in which all of the major players posses WMD and view each other with mutual suspicion is a troublesome scenario.

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[224] Frum and Perle argue on pages 99-100 in *An End to Evil* that "A North Korean nuclear warhead that might be sold to al-Qaeda or some other terrorist group is more dangerous to us than a war on the Korean peninsula.".

American-North Korean relations regarding WMD are currently at an impasse. North Korea will not dismantle its WMD programs until it has a security guarantee from America, while America will not extend a security guarantee to North Korea until it has dismantled its existing WMD and WMD programs. Until one side makes the first move to break the stalemate, US-DPRK relations will remain volatile.

Avoiding the Collapse of the Regime

North Korea's existence and current behavior poses substantial challenges to regional stability as well as American interests. The collapse of the regime, for whatever reason - economic, military, or otherwise - also has a great potential to destabilize the region. This is so for at least three reasons: first, the costs of unification would be tremendous; second, a humanitarian crisis might ensue; and third, the status of US forces on the Peninsula (and in Japan) would be called into question.

Should the North Korean regime collapse, the costs for South Korea to absorb the North into a unified Korea would be enormous. Many analysts suggest that the cost would far exceed that of German unification, with estimates ranging from $120 billion to $2 trillion[225]. In the event of a rapid collapse of the North Korean government and the subsequent absorption of North Korea into South Korea, the ROK would require substantial outside help given the enormous costs involved, though it would have to bear the brunt of the burden, adding a further strain on its economy. America, therefore, has a strong interest in precluding such a scenario from materializing and putting its ally in such a precarious and difficult financial situation.

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[225] As Henry Kissinger states on page 133 in *Does America*, "A rapid unification process for Korea would dwarf the monumental problems Germany faced for a decade. The ratio of the population of West to East Germany was about three to one; in Korea, it is closer to two to one. The ratio of per capita GDP in Germany was approximately two to one; the ratio in Korea is closer to ten to one-meaning that the economic challenge of unifying Korea is far more daunting than in Germany". See also Reese, 60.

There is a high likelihood of a great refugee and humanitarian crisis occurring in the chaos that would be associated with the collapse of the regime. Millions of North Koreans could end up fleeing into China and South Korea in such an event. Tens of thousands of North Koreans have already fled the brutal conditions of the DPRK into Northeastern China, further aggravating the already low unemployment problems that exist there[226]. The potential consequences of collapse can help to explain why China has been reluctant to withdraw aid as a means of punishing the DPRK for its bad behavior[227]. Similarly, Seoul has often times cited the numerous headaches and human costs a humanitarian crisis would cause for it and North Korean refugees. To maintain its legitimacy as the regional hegemon, America has an interest in precluding such a scenario from ever occurring.

The Status of US Forces in the Event of Regime Collapse

A potentially major implication for regional stability and Washington's China policy in the event of regime collapse would America's military presence in both Korea and Japan being called into question. Two scenarios are likely, both of them potentially troublesome. On the one hand, with the North Korean military threat no longer existing, it is possible that Korea and Japan would no longer need to rely on America as much as they currently do to ensure their security. US forces might be asked to leave in such an event as they would no longer be needed to serve as a deterrent. The North Korean threat has remained the primary rationale for the presence of American forces in both countries. If asked to leave, this could allow for the type of regional power struggles that America's presence is also meant to preclude[228]. American retrenchment from the region would create a power vacuum that all the major players in the region would potentially try to fill in an effort to achieve maximum security by endeavoring to become the new regional hegemon.

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[226] Miles, 45.
[227] David Shambaugh, "China and the Korean Peninsula: Playing for the Long Term," *The Washington Quarterly* 26, no. 2 (2003): 45-47.

Whether coincidental or intentional, America's presence in the region has served as a way to constrain China's room for maneuver. As discussed in Chapter 2, China is growing at a tremendous pace, both economically and militarily. It will wish for a bigger role in the region commensurate with its ever increasing power. Without the constraints of America's presence, China may be predisposed to act more assertively in Northeast Asia. It is entirely possible that with a unified Korea devoid of American troops, China may seek to gain an influential foothold on the Peninsula as part of its suspected regional hegemonic aspirations[229]. Indeed, structural realist theory posits that great powers endeavor to achieve regional hegemony. The absence of US forces in the region would give China a greater ability to achieve this objective. This goes a long way to explaining why China has a keen interest in seeing the departure of US forces from South Korea in the aftermath of unification[230].

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[228] As Kissinger states on page 134 in *Does America*, "if American troops leave the rim of Asia, an entirely new security and, above all, political situation would arise all over the continent. Were this to happen, even a positive evolution on the Korean peninsula could lead to a quest for autonomous defense policies in Seoul and Tokyo"[228].

[229] Michael McDevitt describes this scenario as "A return to the historic Sino-Korean pattern of a Korean state within China's "orbit". This is Beijing's preferred choice, and Japan's nightmare." Michael McDevitt, "The Post-Korean Unification Security Landscape and U.S. Security Policy in Northeast Asia," in *Korea's Future and the Great Powers*, eds. Nicholas Eberstadt and Richard J. Ellings (Seattle: University of Washington Press, 2001): 255. David Shambaugh argues that "China tends to view the Korean peninsula as its natural sphere of influence." Shambaugh, "China and the Korean Peninsula," 50. Some argue, however, that China has already gained a strong influence over both Koreas. Richard Halloran, for instance, argues that "At the moment, Beijing and its allies in Pyongyang and Seoul, which seems on the verge of dissolving its security ties with the United States in favor of sliding into an orbit around China, appear to have the upper hand…the Chinese alliance will continue to overshadow the U.S.-Japan-Taiwan coalition unless Washington, Tokyo and Taipei get their act together." Richard Halloran, "The Rising East: China-Korea alliance appears to have edge," *Honolulu Advertiser*, 24 April 2005 <http://the.honoluluadvertiser.com/ article/2005/Apr/24/op/op05p.html> (28 April 2005).

As a result, such a scenario may lead others in the region, most notably Japan, to become even more worried about Chinese ambitions and lead them to take security into their own hands to a greater extent then they do now. Japan has a great domestic capacity to increase its conventional military capabilities, and it could also easily develop nuclear weapons if it so desired so as to offset China's nuclear arsenal. Japan's neighbors have not forgotten its past actions during the 1930s and 1940s. Fear and resentment of a highly militarized and assertive Japan could spread throughout the region, most notably in China and Korea. Should Japan be required to fully remilitarize in order to fend for itself against China, especially if it has a significant influence over a unified Korea, regional stability could be greatly compromised as mutual fear and suspicion, and security competition could become rampant.

The potential negative consequences of such an outcome for America are also apparent on a global scale. Such an assertive China, especially one with close economic and military ties with a unified Korea could have a serious potential to challenge American power on the global stage. Indeed, considering that both China and South Korea are in the world's top 12 largest economies[231], their consolidation under the control of Beijing could have the effect of seriously challenging American power, especially if its economic wealth is translated into military power. Moreover, with America out of the region, it would be infinitely more difficult for the US to come to the aid of Taiwan in the event of a Chinese provocation. Beijing may feel that it would be easier to reclaim the Island with American forces no longer present. The ramifications of this include China finally securing itself unencumbered blue water access for its otherwise bottled up navy, as well as the ability to cut of American oil shipments coming from the Middle East via the Straits of Malacca. The consequences could be disastrous for America.

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[230] Harrison, 66, 78.

[231] "India joins top 10 economies," *Cnn.com*, 13 July 2005 <http://edition.cnn.com/2005/BUSINESS/07/13/world.gdp-reut/> (21 July 2005).

Thus, while America strongly desires to see the end of North Korea's WMD programs, there must also be a strong interest in ensuring that the conventional military threat that the DPRK poses endure. This threat has served as the justification for the forward deployment of US forces in South Korea and Japan for decades. Not only do US forces in the region serve to deter any North Korean invasion into South Korean and/or ballistic missile strike on Japan, but it inherently denies China the ability to more forcefully assert itself in the region without coming into conflict with America.

On the other hand, should American troops be asked to remain on the Peninsula (and in Japan) in the event of peninsular unification, China may feel threatened by the US military's proximity to its border[232]. The PRC went to war against US-led United Nations (UN) forces during the Korean War when the latter moved up the Peninsula and neared the Yalu River along the Chinese-North Korean border. Since that time, North Korea has served as a buffer zone to alleviate potential security dilemmas between American/ROK and Chinese forces. The lack of such a buffer zone in the event of unification may serve to aggravate the security dilemma.

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[232] This, or course, assumes that US forces would move up to the Korean-Chinese border.

In the absence of the North Korean threat, and with American troops remaining in both Korea and Japan, China may view such enduring security ties as one whose primary objective is the outright containment of the PRC[233], especially if America's current bilateral security ties with the ROK and Japan are turned into a trilateral security arrangement. Additionally, China may also fear that Korea might serve as an additional base of operations for America should it be required to come to the aid of Taiwan. All of these potential scenarios can help explain why China has been one of the DPRK's largest sources of aid and by and large wishes for the Peninsula to remain divided.

Conclusion

America and the other concerned players in the region all share the same common interests of bringing about an end to Pyongyang's various WMD programs as well as precluding the rapid collapse of the regime. At the same time, America has a strong interest in ensuring that the conventional military threat that North Korea poses is allowed to endure well into the future. This is so because in the context of Sino-US relations, the North Korean military threat provides the rationale for the presence of approximately 100,000 forward deployed US troops in both South Korea and Japan. The presence of these troops is an essential component to a strategy meant to contain China by stealth.

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[233] David Shambaugh, for instance, states that "If relations between the United States and China are troubled or antagonistic, with prominent persons in the United States arguing that there is a China threat, then China would undoubtedly judge the presence of U.S. forces in Korea as a U.S. measure oriented against China." Shambaugh, "China and the Korean Peninsula," 52.

Until such a time that policy analysts and policy makers in Washington re-evaluate America's past and current policies vis-à-vis the Korean peninsula and implement new ones, the situation there will remain precarious at best. Assessing America's past and current policies and putting forth alternative prescriptions for dealing with North Korea in the context of Sino-US relations is a task to be tackled in the chapter that follows.

Chapter 6

Managing Cross-Strait and Peninsular Relations

This thesis argues that structural realism is the best lens through which to view current and potential future Sino-US relations in the security realm. Structural realism's main thesis is that, in the condition of international anarchy, states endeavor to either augment and/or maintain their power at the expense of others in order to guarantee their survival. With regards to the current regional and global *in-balance* of power in America's favor, Washington must pay close attention to potential challengers and emerging revisionist powers. Chapter 2 discussed how China is the most likely great power candidate to pose such challenges to American preeminence. Precluding China's rise before the Middle Kingdom can pose significant challenges to America's hitherto unrivalled regional and global preeminence through a strategy of containment is what structural realism suggests the US to do. However, structural realism allows room for maneuver within this policy prescription. America must weigh the costs and benefits of any strategy meant to preserve its power and deny others the ability to pose challenges.

It is possible to mange cross-Strait and Peninsular relations in such a way that allows America to continue reaping the economic benefits of engaging China whilst simultaneously containing it by stealth. How this can be achieved is the topic that this final chapter endeavors to address. In the first section, I examine three distinct options that America can follow with regards to Taiwan: disengagement, support for independence, and maintaining the status quo. I argue that the two former options are wholly inadequate and indeed counterproductive to containing China by stealth, whereas maintaining the status quo indefinitely is America's best hope for achieving its overall strategic objective. In the second section, I examine three options for America to consider in dealing with the Korean peninsula in general and North Korea specifically: isolation and neglect, coercion, and engagement. I argue that the two former options are wholly inadequate and counterproductive to bringing an end to North Korea's WMD programs whilst containing China by stealth. At the same time, I argue that America's former engagement policy as exemplified by the Agreed Framework needs to be beefed up for a new engagement policy to succeed. It is critical for America to both eliminate the WMD threat emanating from North Korea while simultaneously precluding the collapse of the regime and ensuring the continuance of the conventional military threat across the DMZ. A more robust form of engagement, I argue, can achieve these objectives.

Part I: Managing Cross-Strait Relations

America, China, and Taiwan all hold more or less incompatible interests which may lead to a regional military conflict if they try to achieve their ultimate objectives of maintaining the status quo, reincorporating the Island with the Mainland, and achieving independence, respectively. Discussing what America's options are and what it should do to achieve its interests is the subject of this section. I discuss three options. The first is for America to disengage itself altogether from Taiwan. The second is for America to stand firm behind its ally and allow Taiwan to declare independence. And the third is to maintain the status quo indefinitely.

Disengagement

A policy of disengagement would entail America revoking its tacit support for the *de facto* independence of Taiwan. America would cease providing the Island with military equipment with which to defend itself against Mainland attacks. Such a strategy would also most likely entail a drastic revision of, if not a complete scrapping of, the TRA, specifically the following points:

> "to provide Taiwan with arms of a defensive character, and….to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan[234]."

Based on America's interest in containing China by stealth, a policy of disengagement would be completely counterproductive in achieving that interest. One of the reasons for which the PRC has arguably not yet attempted to reincorporate the Island with the Mainland by force is because of America's policy of strategic ambiguity. If America made it its declared policy that it would no longer be ensuring Taiwan's survival under any circumstances, China would no longer have any reason not to try to reincorporate the Island through force.

The ramifications for American foreign policy of such a course of action would be potentially disastrous. With Taiwan now reunited with the Mainland, the PLAN would no longer be as bottled up as it currently is. As a result, it would have a much greater capacity to project naval power abroad, whether to secure its oil tankers coming from Africa and the Persian Gulf or for any other reason. Most significantly, it would provide the PRC with the necessary (though not sufficient) prerequisite to cut off America and Japan's incoming oil vessels in an effort to economically choke those countries in the event of hostilities. Any attempt to do so would most likely be met with a US military response, and war between the US and China could ensue.

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[234] "Taiwan Relations Act,".

Another significantly negative ramification of this strategy is that South Korea and Japan - America's key allies in the region - would in all likelihood view America's security guarantees to them as severely weakened. As a result, they may ask US forces to leave their territories and they may subsequently be forced to take security matters into their own hands to a much greater extent than they currently do. As discussed in previous chapters, the implications for regional security and a benign containment of China strategy of such a scenario ever materializing would be potentially devastating. As helping ensure Taiwan's *de facto* independence is a key element in America's strategy to contain China by stealth, a policy of disengagement as just described should not be considered.

Support for Independence

For America to provide outright support for Taiwanese independence would entail abandoning its current policy of strategic ambiguity as well as renouncing the one China policy. The US would make abundantly clear to both Taipei and Beijing that it fully supports Taiwanese independence and will do whatever is needed to ensure that independence, come what may.

This strategy too is a highly dangerous and potentially counterproductive one for America to pursue. Beijing has made it overwhelmingly clear that any move by Taipei to declare independence would be met by a military response. The Anti-Secession Law passed in March 2005 is the most recent statement attesting to this.

The hundreds of missiles deployed in Fujian province pointed directly at the Island is the most obvious manifestation of Beijing's intent to prevent Taiwanese independence at all costs. Whether these statements and the missile buildup are merely meant to deter independence in the first place and are purely a bluff, America and Taiwan must nevertheless, out of prudence, assume that China will retaliate massively with its ballistic missiles and perhaps even attempt a naval blockade of the Island so as to force it to reverse its declaration of independence. Unimaginable damage would be unleashed on Taiwan's economy and populace[235].

Perhaps more troublesome for America, however, is the distinct possibility of a direct military conflict between US and PRC forces. China's military modernization program, especially its naval one, is geared towards a conflict with the US over Taiwan. Realizing that it is still years behind matching America's military superiority, the PLA's focus is on asymmetric warfare against the US and exploiting vulnerabilities where they exist[236]. In particular, the PLAN's recent procurement of Russian-supplied ultra-quiet Kilo class submarines are said to be planned to be used to sink an American aircraft carrier and inflict maximum casualties in the hopes of exploiting America's staying power and resolve[237]. Should mass casualties be inflicted upon US forces, discontent at home may pressure US forces to come home.

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[235] Indeed, as Kissinger states on page 153 in *Does America*, "Were Taiwan to achieve formal American recognition of a separate status…this would risk a military confrontation and guarantee a political crisis that would divide Asia and turn Taiwan's role in the resulting tensions into a global issue. Taiwan would be less, not more, secure in such an environment".

[236] See Christensen.

[237] America's staying power and resolve is currently being tested in Iraq as more Congressmen and the public in general are beginning to call for the return of American forces resulting from the increased number of American casualties there. See, for instance, Dana Milbank and Claudia Deane, "Poll Finds Dimmer View of Iraq War: 52% Says U.S. Has Not Become Safer," *washingtonpost.com*, 8 June 2005 <http://www.washingtonpost.com/wp-dyn/content/article/2005/06/07/AR2005060700296.html> (26 June 2005). It is difficult to imagine China's military officials *not* taking notice of this.

Were this to happen, the PRC would be more able to seize the Island. Such an event would be greatly counterproductive to a benign containment of China strategy. Moreover, unless America brought more forces to bear in the prelude to Taiwan's declaration of independence in order to reinforce its deterrence posture, it could take the US weeks before adequate forces would arrive in the region once hostilities have commenced. The PLA and PLAN are well aware of this fact and are planning on exploiting this vulnerability to its benefit.

Beijing is also aware of the fact that both Japan and South Korea may not allow America to use their bases as staging areas in a Sino-US war over Taiwan. If America declared support for Taiwanese independence and renounced the one China policy, America's key allies would in all likelihood see this as an act of belligerence on America's part and would be decidedly against supporting US military efforts lest they get dragged into the conflict as well. As Japan has more at stake in ensuring Taiwan's *de facto* independence than does South Korea as evidenced by the recent US-Japan joint statement on ensuring Taiwan's security[238], South Korea is much more reluctant to offer support in a cross-Strait conflict perhaps due to fears of a Chinese retaliatory strike against the ROK where US forces are deployed in the event of hostilities. Lack of nearby staging areas would pose potentially tremendous operational difficulties for America's war effort.

Thus, to avoid the destruction of Taiwan, the alienation of America's key regional allies, a military conflict with China which the US is not guaranteed to win, and the potential reabsorbtion of the Island with the Mainland, Washington should resist calls to formally support the Island's desire of achieving *de jure* independence.

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[238] Philip Yang, "U.S.-Japan Statement: What It Means for the Four Key Players," *Taiwan Security*, 26 February 2005 <http://www.taiwansecurity.org/ST/2005/ST-260205.htm> (21 July 2005).

Maintaining the Status Quo

America's best hope for precluding hostile relations and a potential war with China, while at the same time ensuring that Taiwan does not become reunited with the Mainland, is to maintain the status quo indefinitely. Despite several military incidents between the Mainland and the Island in which America became involved[239], the status quo has prevented Taiwan becoming reunited with the Mainland which has decidedly best served America's overall interests of ensuring safe passage of its and Japan's oil vessels as well as denying China greater power projection assets.

In order to maintain the status quo, America must do the following. First, it must continue to reaffirm the one China principle. Every American president since president Nixon has done so, and so must every future president. While Taiwan is for all intents and purposes a *de facto* separate entity from the Mainland, the symbolic gesture of reaffirming the one China principle will preclude hostile relations between America and China, at least on this issue. Moreover, reaffirming the one China principle will send a strong signal to Taipei that Washington does not support any moves towards independence. Washington must also be careful not to issue statements suggesting that America will support Taiwan under all circumstances. Early in president Bush's first term, he stated in a television interview that America would do "whatever it took to help Taiwan defend herself"[240]. Such statements are an obvious departure from America's policy of strategic ambiguity and are clearly unhelpful towards maintaining the status quo as it is sure to anger Beijing and send the wrong message to Taipei. Thankfully, president Bush later recanted his statement by stating that "Our nation will help Taiwan defend itself...At the same time, we support the one-China policy, and we expect the dispute to be resolved peacefully"[241]. Washington must continue issuing similar statements.

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[239] For an overview of these events, see Gordon H. Chang and He Di, "The Absence of War in the U.S.-China Confrontation over Quemoy and Matsu in 1954-1955," *American Historical Review* 98, no. 5 (1993); and Allen S. Whiting, "China's Use of Force, 1950-96, and Taiwan," *International Security* 26, no. 2 (2001).

Washington must also pressure Taipei to cease issuing provocative statements regarding the one China policy and Taiwanese independence. Current ROC president Chen Shui-ben has been extremely vocal in his desire for independence which has only served to aggravate Beijing. America must make overwhelmingly clear to him and future ROC presidents that such statements and actions are unhelpful in maintaining regional stability and avoiding conflict. Providing Taiwan with various carrots such as a pledge to continue selling it defensive military equipment, or threats to employ sticks such as ceasing providing it with such military aid may be needed to bribe Taipei into ceasing issuing such provocative statements.

While America must continue to reaffirm the one China principle, it must also continue with its policy of strategic ambiguity. By not making explicit whether America will come to Taiwan's aid in the event that it will declare independence, Taipei will be reluctant to make such a drastic move, lest it has to face massive Chinese retaliation on its own. America may come to Taiwan's aid under such circumstances, but then again it may not. By not making explicitly clear whether or not it will do so, Taipei will hopefully not take the risk of declaring independence. On the other hand, a policy of strategic ambiguity will make Beijing act with extreme caution. Because America has stated that it might come to Taiwan's aid if the Island was the victim of an unprovoked Mainland attack, this forces China to think twice before initiating any such unprovoked attack lest it desire a possible direct military confrontation with America.

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[240] "Bush vows 'whatever it takes" to defend Taiwan," *CNN* 25 April 2001 <http://www.cnn.com/%202001/%20ALLPOLITICS/04/25/bush.taiwan.03/%3E> (26 June 2005).
[241] Ibid.

America must reinforce and make more robust its and Taiwan's deterrence posture across the Strait in order to maintain the status quo. China's main focus is a submarine-based blockade strategy and exploiting asymmetries between it and US forces in the region. America must fill the gaps of these asymmetries. For instance, the US is said to be severely lacking in ASW assets and Taiwan's defenses are said to be deteriorating[242]. It has been suggested, for instance, that America should add more minesweeping and ASW assets to the 7th Fleet deployed in the region[243]. America must also maintain the ability to come to Taiwan's aid even while its forces are engaged in another part of the world and it must also maintain the ability to respond rapidly so as to deny China the ability to coerce Taiwan into submission before US forces can be brought to bear[244]. Should deterrence one day fail for whatever reason, America, Taiwan, and possibly Japan must be able to deny China the ability to achieve its military and political objectives. By making evident to Beijing during peacetime that US/ROC forces will prevail over PRC forces in the event of war, deterrence can be enhanced and the status quo maintained.

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[242] Glosny, 157; Goldstein and Murray, 181-184.
[243] Christensen, 35.
[244] Ibid., 20; Ross, "Navigating," 76-77.

While the US should continue providing Taiwan with the necessary defensive military equipment it needs to defend itself, America must not provide Taiwan with any BMD assets. Indeed, one must question the purpose of such sales. China has hundreds of SRBMs deployed across the Strait pointed directly at the Island. BMD is currently largely ineffective even in destroying one ballistic missile in a simulated test situation. It seems unimaginable that it will soon be able to intercept hundreds of missiles launched at once. Moreover, selling BMD assets to Taiwan will only aggravate the security dilemma. As one of the key ways in which China has arguably been able to deter Taiwan from declaring independence is through its deployment of hundreds of SRBMs, deploying BMD on the Island will presumably lead Beijing to deploy even more missiles in order to maintain deterrence dominance over the island. Additionally, selling BMD assets to the Island might give Taipei the impression that it has received a *carte blanche* from Washington and that it can go ahead and declare independence without fear of retaliation as BMD would defend the Island from a massive Chinese retaliatory ballistic missile strike. Not only would this be the wrong message to send to Taipei insofar as it would go against the maintenance of the status quo, but relying on BMD to defend against a Chinese retaliatory strike would give the Island a false sense of security. A serious miscalculation could end up being disastrous for the Island. For these reasons, America should not provide Taiwan with any BMD assets whatsoever.

America must also work closely with Japan in order to maintain the status quo. Both countries have a great interest in ensuring that Taiwan does not become reincorporated with the mainland, mostly to preclude China's ability to cut off their oil imports. Washington and Tokyo should discuss in great detail precisely under what circumstances they will come to Taiwan's defense, what the extent of Japan's military contribution would be, and whether or not Okinawa can be used as a base of operations. Washington is currently pressuring Tokyo to increase the role of the SDF. Such efforts should only be pursued insofar as they do not signal to Beijing an explicit US-Japan intent to defend Taiwan under any circumstances and to outright contain China. All of the policy prescriptions just put forth will go a long way towards containing the Middle Kingdom by stealth whilst simultaneously enjoying the economic benefits of engagement and precluding conflictual relations between Washington and Beijing.

Part II: Managing Peninsular Relations

In this section, I examine in detail both the Clinton and Bush administrations' policies for dealing with the delicate situation that exists on the Korean peninsula. In so doing, I provide critiques where warranted and put forth various policy prescriptions that the current administration as well as the ones to follow should implement in order to achieve its objectives as laid out in the previous chapter. I examine several possible solutions in dealing with the North Korea problem and the Korean peninsula as it relates to Sino-US relations. On the one end of the spectrum is to simply isolate and neglect the regime. On the other end is to coerce the regime into submission. In the middle lies a strategy of engagement. I argue that the two former policy options are counterproductive to achieving America's interests while engaging North Korea may be Washington's best hope of accomplishing its foreign policy objectives as they relate to the DPRK and the PRC. It will be necessary for America to engage North Korea in order to contain China by stealth.

Isolation and Neglect

The primary goal of isolating and neglecting North Korea is to bring about the collapse of the regime from within. This strategy entails isolating the regime from the outside world and neglecting and ignoring Pyongyang's demands and internal problems. It seeks to cut off all diplomatic talks that hope to address the various security threats that the DPRK both faces and poses as well as other issues such as financial and other types of aid. Isolating the regime would in essence keep it boxed up from the rest of the world and would stop the various inflows of aid that the regime currently receives and of which it is highly dependent upon. If the regime cannot procure the basic necessities that it needs to stay alive, then perhaps the regime will collapse from within. In many respects, the Bush Administration has been employing this strategy by not putting negotiations near the top of its foreign policy agenda and preferring to wait until a crisis erupts before doing anything. Even then, efforts to deal with the nuclear issue in a comprehensive manner have been minimal at best[245].

A strategy of isolation and neglect is a highly undesirable one for America to follow. As discussed in the previous chapter, the collapse of the regime would have potentially huge negative repercussions for regional stability in Northeast Asia and might work against American interest of covertly containing China. The chaos that would ensue on the Peninsula following regime collapse would be destabilizing for all of Korea and China as well. Vast sums of money would be required to successfully unite the two Koreas. And most importantly, the rationale of US forces remaining in Northeast Asia would be called into question which would be incredibly counterproductive to a benign containment of China strategy. For these reasons, attempting to bring about the collapse of the regime, by whatever means, should not be the preferred policy for America to follow.

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[245] As John Feffer and Emily Schwartz Greco argue, "Bush has refused to negotiate seriously with North Korea in the hopes that it will collapse just as East Germany or the Soviet Union did." John Feffer and Emily Schwartz Greco, "Korea's slow-motion reunification," *The Boston Globe*, 9 June 2005 <http://www.boston.com/news/globe/editorial_opinion/oped/articles/2005/06/09/koreas_slow_motion_reunification/> (13 June 2005).

At any rate, it is highly questionable as to whether or not isolating and neglecting the regime would succeed in bringing about its demise[246]. Analysts have been predicting the collapse of the regime for over a decade and yet it has proven itself to be quite resilient in the face of extreme hardships. While awaiting the collapse of the regime, Pyongyang would have all the time it needed to further develop its nuclear weapons and ballistic missiles, proliferate, and threaten America and its allies. America would have to accept and live with a nuclear North Korea while waiting for the regime's downfall which may not ever happen[247].

Accepting a nuclear-armed North Korea until the time that the regime collapses is obviously highly undesirable. To be sure, this policy might work towards ensuring the continued justification of US forces in South Korea and Japan. Indeed, Pyongyang would be far more capable than it is now to threaten and/or deter America and its allies, and America's key allies in the region may become more susceptible to Pyongyang's coercive bargaining strategy. However, the costs of such a strategy would far outweigh the benefits. For instance, Seoul and Tokyo may come to view America's security guarantees to them as weak. In turn, they may decide to take security matters into their own hands to a greater extent than they do now by developing indigenous nuclear forces of their own to offset those of the DPRK. They may also ask US forces to leave their territories which would be completely counterproductive to America's interest of containing China by stealth. Additionally, by allowing North Korea to develop nuclear weapons and not do anything about it other than isolate and ignore the regime, Washington would be sending a signal of weakness to the rest of the world that it is okay to develop nuclear weapons as the only repercussions that may follow are isolation and neglect. Other rogue states may feel a desire, for whatever reason, to develop nuclear capabilities of their own without fear of consequences from America. Perhaps most troublesome about accepting a nuclear North Korea, is that such a strategy would do nothing to prevent Pyongyang from selling its nuclear weapons and related technology to other rogue regimes and terrorist organizations. In the wake of 9/11, America has an extremely strong interest in precluding such a scenario. For America to maintain an air of global leadership, then, it must both define and enforce the rules of acceptable behavior. Isolating and neglecting Pyongyang which would allow it to further develop its nuclear capabilities is not the way for America to go insofar as displaying its ability to be the world leader is concerned.

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[246] Kang argues that "Scholars and policymakers alike need to consider the possibility that North Korea may survive indefinitely. If so, lurching from crisis to crisis is a highly undesirable way to manage affairs in northeast Asia." Cha and Kang, 97.

[247] Indeed, as Cha argues, "Benign neglect…cannot be applied to a regime such as the DPRK's that builds, tests and sells weapons products in the interim." Cha, "Engaging North Korea Credibly," *Survival* 42, no. 2 (2000): 139.

Moreover, isolating the regime and neglecting to deal with it will have the potential effect of further increasing regional instability. As discussed in the previous chapter, whenever Pyongyang is dissatisfied with the status quo, it resorts to acts of belligerence in order to garner attention and bring concerned parties to the negotiating table. Isolating and neglecting the regime in an effort to choke it into submission would do nothing but make the status quo unbearable for Pyongyang. The acts of belligerence it may resort to under such conditions may remain as relatively low-level as they have hitherto been, or they may be much worse. With its back further pressed against the wall, Pyongyang may feel that it has no choice but to attack America and/or its allies[248].

In order for a policy of isolation and neglect to be effective, it requires all concerned parties to be on board. It is highly questionable, however, as to whether or not America's allies in the region, along with China and Russia, would see the value of such a policy for the reasons discussed above. In trying to garner support for such a policy, America may end up alienating its allies rather than building a strong coalition.

It is clear, then, that isolating and neglecting the regime is a highly undesirable policy for America and its allies to follow insofar as containing China by stealth is concerned. The collapse of the regime would have numerous negative repercussions for all the players in the region and would have potentially large negative implications for US foreign policy in Northeast Asia. Moreover, the regime has proved itself to be highly resilient in the face of extreme adversity. Waiting for it to collapse would only give it more time to further develop, proliferate, and threaten America and its allies with its WMD capabilities. Far from resolving the nuclear issue, isolating and neglecting the regime would put America and its allies in a position of having to accept a nuclear North Korea. And finally, isolating and neglecting the regime would only make the status quo that much more unbearable for it and as history has shown, an undesirable status quo usually leads Pyongyang to act belligerently. Completely isolating and neglecting the regime with the aim of regime collapse may provoke the regime to act more provocatively than it has in the past. While neglecting to deal with North Korea has ensured that the security threat across the DMZ remains which is vital to a containment of China by stealth strategy, it is critical for America to bring about the end of Pyongyang's WMD programs. The Bush administration's policy of neglecting to deal with the nuclear standoff has not yet achieved this objective. Further efforts to isolate and neglect the regime should be abandoned.

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[248] As Cha argues, "coercion or isolation strategies are not appealing as complements to basic deterrence/defense postures toward the DPRK. Noncommunication, threats, and intimidation only exacerbate preemptive/preventive situations by increasing the North's sense of vulnerability, pushing the leadership further into framing the status quo in the domain of losses, and raising the costs of peace." Cha, "Hawk Engagement," 68.

Coercion

Another possible strategy for America to follow in order to deal with the North Korean WMD problem is to coerce the regime into submitting to its demands. Such a strategy would entail providing Pyongyang with an ultimatum to, at a minimum, completely and verifiably dismantle its WMD programs and, at a maximum, dismantle its WMD programs, drastically reduce its conventional military threat, and perhaps for the political leadership to relinquish power. Should the regime be unwilling to submit to these demands, America could enact numerous measures to coerce the regime such as slapping even heavier sanctions on Pyongyang[249], initiating a naval blockade, or even employing the use of force to achieve the objectives laid out in the ultimatum, with or without the support of its allies. If the latter option is the preferred course of action, America could at a minimum employ decisive aerial precision strikes in order to destroy North Korea's WMD and related facilities. At a maximum, said strikes could occur in tandem with a full scale military invasion into North Korea so as to oust the regime. Clearly, the objective of a coercion strategy would be for the regime to at least dismantle its WMD programs, if not completely relinquish power.

This strategy, however, is extremely undesirable for numerous reasons. North Korea currently has hundreds, if not thousands, of artillery shells deployed in the vicinity of the DMZ targeting Seoul. It is also suspected of possessing at least several short, medium, and possibly long-range ballistic missiles perhaps armed with WMD. Thus, it must be assumed that Pyongyang would fire everything it has in retaliation for any aerial strikes and/or invasion. While America may possibly be able to destroy North Korea's ballistic missiles before they can be launched or destroy those that are launched with BMD, no such first-strike capability exists against the artillery targeting Seoul. America must assume the annihilation of the capital city of its close ally as an inevitable result along with a possible attack on Tokyo and itself. For this reason alone, we can expect the South Korea and Japan to be strongly opposed to such a course of action. Going forth in spite of Seoul and Tokyo's opposition could seriously strain US-South Korean-Japanese relations which would be highly counterproductive to covertly containing China[250].

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[249] For a discussion of the possible effects of further sanctions on North Korea, see Elliott, 99-111.

Moreover, it is questionable as to just how decisive an aerial bombardment of North Korea's WMD assets would be. Intelligence regarding North Korea is severely lacking. It is unknown how many nuclear bombs and ballistic missiles the regime possesses and where they might be deployed. While the location of some of North Korea's nuclear facilities are well-known and their destruction would potentially set back North Korea's nuclear program for some time[251], it is unknown if these constitute all of North Korea's nuclear facilities and if others exist that America does not know about. An aerial strike would thus be highly indecisive, not to mention potentially lethal for America and its allies if Pyongyang chooses to retaliate with its surviving WMD assets.

A full scale military invasion into North Korea would be undesirable not only because of the potential of the regime unleashing horrific ruin upon Seoul, Tokyo, and perhaps America in retaliation, but also because the fall of the regime is not in the interest of most players in the region and especially America insofar as containing China by stealth is concerned. America's allies would be strongly opposed to such a war, not only because of the retaliation they could expect from North Korea, but also because of the tremendous cost they would have to pay in the aftermath of the collapse of the regime. Most significantly, however, is the chance of South Korea and Japan requesting American troops to leave in the absence of the North Korea threat.

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[250] As Samore argues, "Seoul and Tokyo strongly oppose military actions against North Korea, since they will bear the brunt of North Korea's possible retaliation." Samore, 19.

[251] Samore argues, for instance, that "the Yongbyon nuclear complex is highly vulnerable to air attack, and destruction of the reprocessing facility, along with the 5-MW reactor, would delay Pyongyang's ability to produce and separate plutonium in significant quantities for several years." Samore, 18.

The Bush administration has initiated several relatively low-level coercion tactics, whether directly or indirectly, in order to deal with North Korea. These include labeling the DPRK as being part of an "axis of evil", letting the Nuclear Posture Review leak out to the press in which North Korea was on the list of possible targets[252], promulgating a new strategic doctrine that includes preemptive military campaigns and putting that doctrine into practice by invading Iraq, another member of the "axis of evil". Whether all of these events were directly meant to coerce North Korea into submission is unknown. What is known are the ramifications. Clearly, all of these acts made Pyongyang feel more insecure. Though North Korea's HEU program began before the Bush administration took office, once the Bush administration confronted Pyongyang about its HEU program, it immediately initiated another crisis by kicking out inspectors, pulling out of the NPT, claiming that it already has several nuclear weapons and may conduct a test to prove its capability, and generally elevating its bellicose rhetoric. Perhaps most significantly for America as far as a covert containment of China strategy is concerned is that ROK-US relations have soured significantly since the Bush administration took office. Indeed, many claim that the Bush administration's rhetoric and behavior killed former ROK president Kim Dae-Jung's "sunshine/engagement policy" with the DPRK. A serious rift between Seoul and Washington only increases the potential of South Korea asking American troops to leave the Peninsula and taking security matters into its own hands to a considerably greater extent than it does now. For all of these reasons, the Bush administration should discontinue employing such coercive tactics vis-à-vis Pyongyang and a strategy of coercing North Korean into submission should be abandoned.

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[252] Phillip C. Bleek, "Nuclear Posture Review Leaks; Outlines, Targets, Contingencies," *Arms Control Association*, April 2002 <http://www.armscontrol.org/act/2002_04/nprapril02.asp> (21 July 2005).

Engagement

The policy that the Clinton administration and its partners in Northeast Asia have more or less followed in order to deal with North Korea has been a policy of engagement[253]. The Bush administration, for its part, has engaged North Korea only to a very limited extent. Engaging North Korea has typically meant to provide Pyongyang with various concessions and incentives in exchange for the dismantlement of its WMD programs and reduced belligerence. The most obvious example of America's engagement policy put into practice was the Agreed Framework.

Negotiations between Pyongyang and Washington began in June 1993 with the aim to bring an end to the growing nuclear crisis initiated by the DPRK[254]. The result was the October 1994 Agreed Framework. The Agreed Framework consisted of a package of incentives to North Korea in exchange for Pyongyang adhering to the NPT. Pyongyang shut down its 5-MW reactor at Yongbyon, its 50- and 200-MW reactors under construction, as well as various other nuclear facilities which brought an end to further plutonium enrichment activities. North Korea would allow IAEA inspectors access to these facilities to verify that it was indeed living up to its part of the agreement. In exchange, the newly created KEDO, a US led group also originally consisting of Japan and South Korea, promised to build the DPRK two LWRs by 2003 for peaceful energy purposes, as well as provide it with approximately 500,000 tones of heavy fuel until the construction of the LWRs were complete. After a significant portion of the LWRs had been built, Pyongyang would allow the IAEA to remove approximately 8000 spent fuel rods from the 5-MW site at Yongbyon and dismantle all of its nuclear facilities[255].

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[253] Cha ably summarizes engagement on page 137 of "Engaging," as "a process of strategic interaction designed to elicit cooperation from an opposing state. Its means are generally non-coercive and non-punitive, seeking neither to undercut an adversary not to pressure it into submission…it does not entail simply deferring to the opponent's desires, but seeks some form of accommodation…It is a discrete type of security response to a threatening power, actively seeking to transform the relationship into a non-adversarial one and to change the threatening state's behavior and goals in the process…engagement is not credible to the opponent without some semblance of strength on the part of the engager…engagement does not explicitly leverage the threat of conflict or punishment to exact cooperation.".

[254] See page 81-82 above for a brief account of the events leading up to the crisis.

For all intents and purposes, the Agreed Framework died in October 2002. Despite Pyongyang's other belligerent behavior, the goodwill gesture of the US when it sent Secretary of State Madeleine Albright to meet personally with Kim Jong-Il in late 2002, and Secretary of Defense William Perry's official report which reiterated continued support for engagement and the Agreed Framework[256], North Korea reneged on its part of the bargain. In October 2002, Pyongyang admitted that it had begun a clandestine HEU program in 1998, in flagrant violation of the Agreed Framework. To be sure, however, KEDO's efforts at building North Korea the two LWRs were lackluster and not on schedule[257].

Why did engagement with North Korea as envisioned in the Agreed Framework fail? Many attribute the failure to what they consider the Bush administration's bellicose behavior vis-à-vis Pyongyang. This behavior is said to include lumping North Korea in the "axis of evil" along with Iraq and Iran, announcing a new doctrine that would include preemptive war, and including the DPRK in the Nuclear Posture Review. These arguments, however, do not square with the fact that North Korea violated the Agreed Framework as far back as 1998 when it began its HEU program.

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[255] See "Agreed Framework Between The United States Of America And The Democratic People's of Korea," *KEDO*, 21 October 1994 <http://www.kedo.org/pdfs/AgreedFramework.pdf> (21 July 2005).

[256] William J. Perry, "Review of United States Policy Toward North Korea: Findings and Recommendations," *Department of State*, 12 October 1999, <http://www.state.gov/www/regions/eap/991012_northkorea_rpt.html> (21 July 2005).

[257] Reese, 55.

It could be argued that the Agreed Framework failed because it did not offer North Korea enough economic and security incentives in exchange for the abandonment of its WMD programs. As discussed in the previous chapter, North Korea's belligerent behavior and nuclear ambitions are motivated by its tremendous sense of insecurity and viewing the status quo as undesirable. While the Agreed Framework offered North Korea some economic incentives in the form of the LWR and fuel shipments in exchange for the dismantlement of its nuclear facilities, it did not address Pyongyang's security concerns. Moreover, KEDO's efforts at building the two LWRs were minimal at best. With signs of KEDO reneging on its side of the bargain, nothing was done to make the status quo better for Pyongyang. In order to make it more bearable, it embarked on its HEU program to make itself more secure and/or to use as bargaining chips with the US and its partners. Both sides, then, were at least partly to blame.

Towards a New Policy of Engagement

America's key objective with regards to North Korea is to bring an end to its nuclear program once and for all. In order for a containment of China by stealth strategy to succeed, however, America must achieve this objective in such a way that avoids the collapse of the North Korean regime and ensures that the conventional military threat across the DMZ endures. This will make more or less certain that US forces remain forward deployed in Northeast Asia which is essential to containing China in a covert fashion. Achieving these two objectives simultaneously will prove to be extremely difficult because what North Korea wants most from America is a security guarantee which would most likely lead to a reduction of hostilities on both sides of the DMZ. Isolating and coercing the regime will not adequately accomplish these objectives and may end up being counterproductive to achieving US interests on the Peninsula as well as its China strategy. Similarly, the engagement policy devised and implemented by the Clinton administration was inadequate in solving the nuclear issue. All three options have their weaknesses, though with some fine tuning, a more robust engagement policy might be the best option for America to follow. America will need to quickly devise and implement a more comprehensive engagement policy if it is to achieve its strategic objectives as discussed above on the Korean peninsula as it relates to bringing an end to Pyongyang's WMD program and the stealth containment of China. Indeed, as paradoxical as it may seem, it will be necessary for America to engage North Korea in order to contain China by stealth. To this end, it will be vital for America and its partners to create a better security environment for Pyongyang and to make the status quo more tolerable to it[258]. Only under such conditions is WMD disarmament a feasible option while at the same time avoiding the collapse of the regime.

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[258] Indeed, Cha argues on page 44 of "Hawk Engagement," that "engagement can prevent the crystallization of conditions under which Pyongyang could calculate aggression as a "rational" course of action even if a DPRK victory were impossible."

Working with Allies

It will be crucial for America to work with its key allies in the region as well as other interested parties in order for a successful engagement policy to work. America and the other concerned parties must both come to a consensus as to the extent of the problem as well as the way in which it should be dealt with. A unified purpose will give America and its partners a stronger hand in dealing with Pyongyang. The Six Party talks are good start in the right direction as it allows the US to work with other concerned parties and to attempt to devise a unified purpose. The unified purpose that America and its partners need to develop should address security and economic incentives to provide Pyongyang in return for demands of the dismantlement of its WMD programs. Efforts to devise possible punishments for North Korea in the event that it reneges on its part of the deal should also be sought. However, it will also be vital for America and its partners to live up to their end of the bargain so as to avoid potential repercussions of not doing so as was arguably the case with KEDO's failure to build the LWR on schedule. America and its partners must also formulate a rapid collapse contingency.

The Six Party talks should be made more robust with summit meetings taking place at regular intervals in order to monitor the progress being made and allow for further negotiations and adjustments when needed. The channels of dialogue must always be left open in order for Pyongyang to address its grievances before they are allowed to grow. Ignoring North Korea until it creates a crisis, as the Bush administration has been apt to do, is not the way to go, nor is calling off talks in response to belligerent behavior on the part of Pyongyang.

Security Incentives

It is critical that America make the security environment seem tolerable to North Korea in exchange for the dismantlement of its WMD programs. Washington's saber-rattling, labeling North Korea a rogue state that is part of an "axis of evil" and demonstrating that America is willing to engage in preemptive wars against such rogue regimes to end WMD threats only serves to create a greater incentive for Pyongyang to increase its WMD deterrent capabilities. Such bellicose behavior and rhetoric on the part of Washington must cease if Pyongyang is not to feel threatened.

There are several inducements and incentives America and its partners can offer Pyongyang. One such incentive is to pledge not to sell BMD and BMD related technology to South Korea and Japan which could be used against North Korea. Because BMD has the potential to give America and its allies a first-strike capability, this provides Pyongyang with a powerful incentive to build more ballistic missiles and nuclear weapons so as to overwhelm those defenses. It follows, then, that by not deploying BMD in South Korea and Japan, North Korea will come to feel more secure and thus have less of an incentive to maintain and increase its WMD arsenal[259].

Making the status quo more desirable to Pyongyang on the security front must not, however, entail a complete reduction of hostilities between America and North Korea, nor must Washington offer Pyongyang a security guarantee. It is essential that the North Korean conventional military threat remains if a benign containment of China strategy is to succeed. Were the US to offer the DPRK a security guarantee eventually leading to a drastic threat reduction on both sides of the DMZ, this may in turn affect Seoul's and Tokyo's threat assessments which in turn may lead them to ask US forces to leave in the absence of another threat. However, America must work to ensure that that threat is of the conventional, and not non-conventional, kind. America, Japan, and South Korea will still need to maintain robust defense capabilities in order to deter North Korean aggression.

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[259] Cha argues on pages 73-74 in "Hawk Engagement," that missile defense is fully compatible with a more robust "hawk engagement" policy. I, however, disagree with his contention.

Unfortunately, ensuring that the North Korean conventional military threat remains poses two sets of problems that must be addressed. First, while America would be working to deal with the North Korean WMD issue, would not China, Japan, and South Korea wonder why America desires the conventional military threat to be maintained? And second, considering how North Korea's primary desire is to get a security guarantee from the US, how can America satisfactorily solve the WMD issue without offering such a guarantee? The latter question is more easily answerable as there are other security initiatives (as discussed above) and economic incentives (as will be discussed below) that America and its partners can offer North Korea instead of a security guarantee but that will still help create a better status quo for Pyongyang. The former question, however, is more difficult to answer satisfactorily. It may just entail America telling its partners that the key focus for the time being is to address North Korea's WMD programs and that addressing the conventional military threat should be the focus some time in the future. Washington can also propose that addressing the conventional military threat across the DMZ should only be done once Pyongyang has proved that it is a responsible and trustworthy negotiating partner in dealing with the WMD issue. Whatever the case, skillful diplomacy must be exercised on the part of Washington vis-à-vis its partners and Pyongyang.

Economic Inducements

On the economic front, there are many things America and its partners can do to help the North stand on its own two feet. A policy similar to former ROK president Kim Dae Jung's "sunshine policy" of North-South engagement incorporated into a larger and more comprehensive engagement framework may go a long way towards making the status quo more tolerable for Pyongyang[260]. Continued joint projects and FDI into North Korea, summits between political leaders[261], trade[262], family reunions, collaborative infrastructure projects[263], etc, are all ways in which to achieve this objective. Additionally, taking North Korea off the US state sponsors of terrorism list will allow it to receive economic aid from both the World Bank and the International

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[260] While the aim may have been to indirectly ease tensions across the DMZ, Kim Dae Jung's 'sunshine policy' did not address any security issues directly. Discussing the purported benefits of the 'sunshine policy', Sung-Joo Han argues that "the assessment that security has been enhanced is at best premature. The summit has not put a dent in North Korea's military power and the potential for renewed hostilities on the Korean Peninsula remains. The joint summit declaration scarcely touched on issues of peace and security." Sun-Joo Han, "The Korea's New Century," *Survival* 42, no. 4 (2001): 90.

[261] In June 2000, ROK president Kim Dae Jung and DPRK leader Kim Jong-Il met in Pyongyang for a historical summit. However, as James Miles states in "Waiting out North Korea," on page 48, "The summit of June 2000 made no appreciable impact on Korea's security environment, beyond arousing brief euphoria in the South.".

[262] As Cha and. Kang relate on page 101 in "Can North Korea be Engaged,", "South Korea has rapidly developed its economic relations with the North: South-North trade was worth $340m in the first six months of 2003.".

[263] The Kaesong industrial park, the North-South Kyongui railway line, and Mount Kumgang tourism project are but some examples of collaborative projects that have helped Pyongyang economically. Speaking of the Kyongui railway, Cha and Kang note on page 102 in "Can North Korea be Engaged," how "the railway has required clearing a section of the DMZ of landmines. This necessitated North-South military meetings; the fact that both militaries were able to agree is a large step towards reducing tension along the peninsula…The landmines wee cleared by December 2002, and the laying of railway track has been completed. By 2003, the railroads had been reconnected.".

Monetary Fund (IMF)[264]. With a better economy, Pyongyang will have less of an incentive to export WMD and related technologies in order to receive hard currency, while simultaneously helping preclude the collapse of the regime.

Demands

Both sides will be weary about the sincerity of the other's initiatives and inducements considering their histories in dealing with one another. A step-by-step process consisting of small yet significant reciprocal gestures will go a long way towards building confidence on both sides. A necessary requirement is for Washington and Pyongyang to be more flexible with each other in their demands. The "no-negotiations-until-disarmament/no-disarmament-until-security-guarantee" stalemate is clearly a non-starter. Both sides have enough inducements and incentives to offer each other such that the current stalemate can easily be over come if cooler heads are allowed to prevail. Bringing about the complete disarmament of North Korea's nuclear facilities and existing WMD and WMD component stockpiles should be accomplished by a step-by-step process in order to ensure confidence building. One of the main criticisms launched at Kim Dae Jung's 'sunshine policy' is that it offered the DPRK many economic incentives without asking Pyongyang for anything in return. There must be a *quid pro quo* for any future negotiations to succeed. In exchange for shutting down its nuclear facilities at Yongbyon, for instance, Washington could remove North Korea from its state sponsors of terrorism list so that Pyongyang can receive economic aid from the World Bank and IMF. In exchange for the return of IAEA inspections and a robust verification process on the ground,

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[264] Miles, 44; Pinkston and Saunders, 85.

Washington can extend its pledge not to sell BMD and related technologies to South Korea and Japan. And in exchange for the cessation of exporting ballistic missiles, America and its partners could pledge to complete the construction of the LWRs.

Repercussions of North Korea Cheating

And what if North Korea cheats again and engagement ultimately fails[265]? By making things better for North Korea, it will have a greater effect on Pyongyang to take away the things that have made the status quo tolerable to it as a disincentive to cheat in the first place or as punishment if it does cheat[266]. But measures to preclude cheating in the first place should be sought. Above all, it will be necessary for the US and its partners to make a better effort in living up to their side of the bargain. KEDO's failure to build the two LWRs on schedule is arguably what led to Pyongyang's embarking on its HEU program. Likewise, Washington's failure to ease sanctions against Pyongyang in exchange for its 1999 missile testing moratorium arguably led the DPRK to continue its development, testing, and proliferation of ballistic missiles[267]. By living up to their end of the bargain, similar consequences can be avoided.

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[265] Cha argues on page 76 in "Hawk Engagement," that "if engagement fails to move North Korea toward peaceful reform and nonproliferation, then one can posit a range of coercive options that the United States and its allies could pursue against the DPRK regime. None of these options are desirable, but they comprise the end game of hawk engagement. At the least desirable end of the spectrum is "true coercion": Here the policy imperative would be to expose the North's intention to proliferate despite the carrots offered to it, make clear to allies and regional powers that the United States has exhausted all efforts at cooperation, and rally the coalition to coerce the regime-through force and economic sanctions-into nonproliferation compliance and/or collapse. Responses might include preemptive action, massive retaliatory strikes, …". I, however, do not agree with these ultimate solutions due to the likely negative consequences that would follow as discussed above.

[266] Cha and Kang argue on page 96 in "Can North Korea be Engaged," that "If these aid inflows were to cease or constrict in any way, North Korea would feel significantly more pressure than it does now.". Cha argues elsewhere that "today's carrots are tomorrow's most effective sticks. Sticks will work only if North Korea has a stake in the status quo. Continuing to impose a decades-old embargo is unlikely to elicit positive change in DPRK behavior. Lifting sanctions, however, letting the North gain what it can from opportunities thus made available, and then using the threat of sanctions if Pyongyang fails to live up to its commitments is more likely to achieve positive results.".

Prepare for Rapid Collapse

While the collapse of the regime is undesirable for most, if not all of the players in the region, America and its key allies in the region must nevertheless prepare for a rapid collapse contingency. This should include plans for how to deal with the likely humanitarian crisis that would ensue as well as the economics involving reabsorbtion[268]. Hopefully, the economic incentives offered to Pyongyang in negotiations will help ease the burden of reconstruction in the event of regime collapse[269]. Most importantly, however, Washington, Seoul, and Tokyo will need to discuss what the status of US forces in South Korea and Japan should be in the event that the North Korean threat ceases to exist. If allowed to remain, Washington, Seoul, and Tokyo will need to devise a declaratory (though not necessarily official) rationale for their continuing presence on the Peninsula and in Japan. Trilateral talks between Seoul, Tokyo, and Washington regarding this issue have already taken place, but more effort should be put into coming to a universal agreement without making it seem to Beijing that all three have an explicit containment of China strategy in mind. This will also require Seoul and Tokyo to develop friendlier relations with each other which Washington should help orchestrate. Hopefully, however, engaging North Korea will preclude its collapse.

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[267] Harrison, 63.

[268] As Miles argues on page 43 in "Waiting out North Korea,", "Reunification with an economically crippled North would impose an unsustainable burden on the South's economy…investment there should be encouraged in order to reduce the economic shock that will come should the North collapse politically". He goes on to state on page 39 that "Economic problems in South Korea make it necessary for others- particularly the United States, European Union countries, Japan and China- to shoulder even more of the burden of such assistance.".

[269] Harrison, 71.

Submitting to Blackmail?

Some may argue that engaging North Korea is akin submitting to its coercive bargaining strategy and blackmail. However, as the regional and global hegemon, America must provide states with various carrots and sticks in order to reward and punish their behavior respectively. The ways in which America has endeavored to punish North Korea thus far for its WMD activities in the form of sanctions and other forms of punishment have proven to be wholly inadequate. For reasons discussed above, brandishing bigger sticks may be wholly counterproductive to US interests on the Korean peninsula and Northeast Asia as a whole. America must use the various tools at its disposal to offer Pyongyang various concessions and incentives to abandon its nuclear ambitions. Engaging Pyongyang must commence during a period of relative quiet on the Peninsula and not after a crisis has been initiated by the DPRK. In this way, it will appear that America and its partners have taken the lead in dealing with the nuclear issue as opposed to merely reacting to North Korea's belligerent behavior.

Conclusion

An outright policy of containing China in ways akin to the manner in which America contained the Soviet Union will be highly counterproductive to achieving the interest of denying China the ability to challenge and rival America. The US derives substantial benefits from engaging China, and treating the PRC like an enemy now may turn it into an enemy even though its intentions may have been wholly benign. Fortunately, however, America already has the necessary components in place needed to contain the Middle Kingdom by stealth and without turning it into an enemy of the US which an explicit containment strategy might do. Specifically, while America has reaffirmed the one-China policy since 1972, the US has more or less ensured Taiwan's *de facto* independence and has also arguably deterred Beijing from reincorporating the Island with the Mainland by force. Likewise, because of the North Korean conventional and unconventional military threat, America has approximately 100,000 forward deployed troops in both South Korea and Japan so as to deter North Korean aggression. Denying China the ability to reincorporate Taiwan with the Mainland and ensuring that US troops remain in Northeast Asia so as to serve as deterrent forces against North Korean aggression are essential components to any containment of China by stealth strategy. As long as America keeps trading with China and maintaining relatively friendly relations with Beijing, a containment by stealth strategy can deny China the ability to more forcefully assert itself throughout the region, reestablish its traditional Sino-Confucian sphere of influence, and replace America with itself as the regional, if not global, hegemon, all without turning China into an enemy of the US. For the sake of America's interest of maintaining its regional and global preponderance, and for the sake of the benefits derived from a unipolar/hegemonic international political system, US policymakers should the follow the courses of action prescribed herein.

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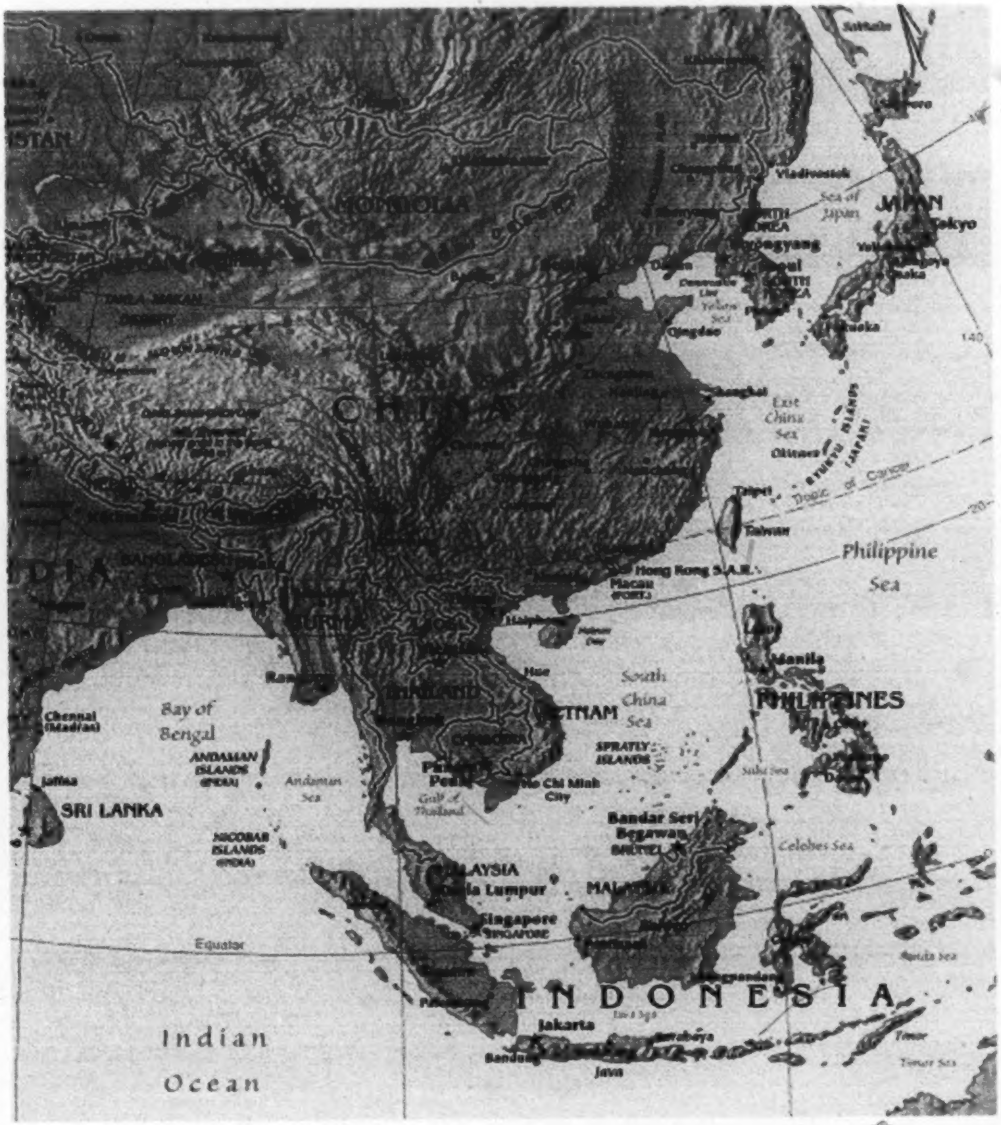
Appendix
Map of South- and Northeast Asia[270]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Sapporo
Vladivostok
Sea of Japan
JAPAN
Tokyo
Pyongyang
Seoul
SOUTH KOREA
Dalian
Qingdao
Osaka
Fukuoka
CHINA
Shanghai
East China Sea
RYUKYU ISLANDS (JAPAN)
Tropic of Cancer
Taipei
Taiwan
Philippine Sea
Hong Kong S.A.R.
Macau (PORT.)
Haiphong
Hue
BURMA
Rangoon
THAILAND
Bangkok
CAMBODIA
Phnom Penh
Ho Chi Minh City
VIETNAM
South China Sea
SPRATLY ISLANDS
Manila
PHILIPPINES
Sulu Sea
Bay of Bengal
Chennai (Madras)
Jaffna
SRI LANKA
ANDAMAN ISLANDS (INDIA)
Andaman Sea
NICOBAR ISLANDS (INDIA)
Gulf of Thailand
Bandar Seri Begawan
BRUNEI
Celebes Sea
MALAYSIA
Kuala Lumpur
Singapore
SINGAPORE
Equator
INDONESIA
Jakarta
Bandung
Surabaya
Java
Timor
Timor Sea
Indian Ocean

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